

*THE EXPANSION OF EUROPE  
INTO THE FAR EAST*

*By the same Author*

*War and Politics in China*

*Before Pearl Harbour*

*China and Britain*

*Etc.*

SIR JOHN T. PRATT.

*The Expansion of  
Europe  
into the Far East*

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## P R E F A C E

This volume represents the substance of a course of eight lectures which I was invited to deliver to the history students at Cambridge University in the Lent Term, 1946, and again in the Lent Term, 1947. When the war against Germany and Japan came to an end the teaching of history in the University was widened by the inclusion of a new subject—The Expansion of Europe since the Fourteenth Century. The lectures which form the basis of this book dealt with one section of this subject, namely, The Expansion of Europe into the Far East.

*June, 1947.*

J. T. PRATT.



## CHAPTER ONE

### *Introductory — The Clash of Ideals*

China fifty years ago—defeat and humiliation—Battle of the Concessions—break up of China expected—rise of nationalism—collapse again expected in 30's—greater sympathy and understanding in the west—China's crisis more serious than Europe's—ancient splendour still maintained in eighteenth century—influence of calligraphy on China's culture—China best understood through art—China's art only recently appreciated in Europe—art the key to different origins of Chinese and western civilisation—the loess in North China—its problems determine character of Chinese civilisation—the bureaucracy—Shih, Nung, Kung, Shang—scholars and peasants—the classless society—tradition of educated official class—the welfare of the people—comparison with City States of Greece—the state an expansion of the family—the Grand Harmony of mankind—contrast with western civilisation—small groups and tradition of conflict—Greece, Rome and Palestine—City State recurs in treaty ports in China—International Settlement at Shanghai—Europe now seeks welfare of the people and brotherhood of man—Grotius in sixteenth century—League of Nations—the rule of law and the rights of the individual—China stresses obligations not rights—litigation considered discreditable—the Fu Mu Kuan—western conception of law—slave—Despot conception of universe and slave foundation of society—influence of Platonic-Christian doctrine of the soul—slow evolution from slavery to freedom—rule of law and rights of individual considered essential for civilised society—Chinese construct social order on pattern of universal order—slavery almost unknown—law a method of persuasion—fusion in European thought between doctrines of immanence and imposition—English system seeks both rule of law and Confucian aim of sense of moral obligation—similar fusion is problem facing China—law an exhortation not a command—doctrine of devolution of responsibility—applied to foreign communities since seventh century—gives rise to difficulties in eighteenth century—western science leads to industrial revolution—change in relative positions of China and the west—Confucianism damps down speculation—but Chinese not lacking in scientific spirit—China's problem not science but law—sudden collapse in nineteenth century—slow decay—influence of neo-Confucianism—the State Examinations—"the rules of propriety"—cessation of foreign intercourse—downfall due to unintelligent application of devolution of responsibility—national revival in twentieth century—the "unequal treaties"—westernisation hampered by notion of family—unreality of modern legislation—complications caused by appearance of Marxian philosophy—Sun Yat-sen rejects Communism adopts communist organisation—rapid success of Kuomintang reorganised on Soviet model—communist movement grows up—class war abhorrent to Confucianism—evils of class war—civil war a continuation of warlordism—growth of communism due to failure of Kuomintang—Europe's failure even greater—Lord Justice Porter and world organisation—not rule of law but moral obligation.

When I first went to China, nearly fifty years ago, China had just suffered a shameful defeat in the first war of aggression waged against her by Japan, and this defeat had precipitated

the Battle of the Concessions when many foreign powers, including even America, demanded, and some of them obtained, naval bases, spheres of influence and territorial concessions in various parts of the Empire. "In the world's history no country with so vast an extent of territory and so large a population, under one government, as China—no country with a tenth of its area or population—had ever been subjected to such a series of humiliations as China had been subjected to in the six months from November 1897 to May 1898 and, it may be added, no country had so thoroughly deserved its fate; no country had ever shown itself so incapable of correcting admitted abuses in its administration or of organising the resources of an exceedingly rich territory, inhabited by a sturdy race with many good qualities."<sup>1</sup> China's humiliation was complete and it seemed as if she were about to share the fate of India at the time of the break up of the Mogul Empire. Lord Charles Beresford, a gallant Admiral, whose name and personality are still remembered, was despatched on a mission of investigation by the Chambers of Commerce in Great Britain. On his return home after an extensive tour he published a book under the title of *The Break up of China*. It was one of many similar books published at that time, but the trouble passed and China did not break up after all. On the contrary, the Battle of the Concessions was the signal for a national revival, and the rise of a nationalist movement led by Sun Yat-sen. Some decades later, in the 1930's, books with similar titles began to appear again—Nafnaniel Pfeffer's *The Collapse of a Civilisation*, for example. This time, however, there was no fresh Battle of the Concessions for in Western Europe, at any rate, and of course also in America, the prevailing mood aroused by China's difficulties was one of friendliness and sympathy. This was partly due to a better realisation than before of the true character of China's civilisation and partly to the consciousness of a certain *malaise* in our own western civilisation. In art, poetry, music and religion we are groping after new standards and new values, while fundamental changes are taking place in our ideas about human relationships, the

function of the state and the position of the individual in society. A new way of life is emerging and our hope is that the new structure will not have to be erected on the ruins of the old, but that it will be achieved by a process of development and growth, of adaptation to the changes in our environment.

In the case of China, however, the changes are so violent and so fundamental, and the upheaval is so great that it is not surprising if men begin to doubt whether her ancient civilisation possesses sufficient vitality and elasticity to escape being overwhelmed. China was for many centuries a world civilisation, supreme and self-sufficient, knowing no equal and surrounded by tributaries and satellites who looked up to her as the fountain-head of civilisation. She is now called upon to abandon the traditional conceptions, the reasoned view of life that naturally grew up in such an environment and take over, wholesale, conceptions evolved in the world of sovereign states that have closed in around her. Her crisis is more severe and her task of adaptation more difficult than any that has faced us in the west; and it is rendered more difficult by the fact that the Chinese are intensely conscious of the splendid achievements of their civilisation in the past.

China, as an organised community with a distinctive culture, was, in the past, the contemporary of Egypt and Mesopotamia. In spite of recurrent invasions, civil war and anarchy, her history spans with impressive continuity what in the west are regarded as separate epochs."<sup>2</sup> In the eighteenth century China was certainly the most powerful and splendid empire the world had yet seen. The Great Wall, built in the third century B.C., running 1500 miles from Tibet to the Yellow Sea, separated the steppe from the sown, the eighteen provinces of China Proper from her great dependencies, Manchuria and Mongolia; and in China proper there lived some 400 million people—one fifth of the human race—gathered up into one community enjoying a high degree of order, prosperity and culture. Before the dawn of history this people invented a system of writing by means of pictograms which appealed to the eye

rather than the ear. Abstract ideas and concrete objects were both expressed by means of pictograms, the meaning of which depended not on their sound but on their shape. Each shape was in itself a thing of great beauty and was capable of evoking trains of thought and associated ideas, and the manner in which these shapes were brought together on a page constituted the art of literary composition. This was a far richer and more flexible instrument for the expression of ideas than any alphabetic system of writing. The written language was not affected by changes in dialects, for even in its simplest and most colloquial form it differed from the spoken speech. The writing was understood by all in much the same way that a cartoon by Low in the *Evening Standard* might convey the same idea to a Frenchman, a German or an Englishman. The same books and papers were read in every part of China and the written language was thus the vehicle by which the Confucian culture was carried into every home and into every village school. Calligraphy has had an incalculable effect on the artistic development of the people. Every child whether literate or not is surrounded by these lovely shapes from his earliest years and every child who learns to write learns how to use the Chinese writing brush and can paint these shapes with ease and fluency. Calligraphy occupies in China the same place as the art of painting in the west and the practice of calligraphy has developed to a degree unknown among any other people, except possibly the Japanese, the sense of aesthetic appreciation combined with extreme facility in execution. To their system of writing more than to any other single factor the Chinese owe the homogeneous character of their society and the high level of their art. The difference between the civilisations of China and the west is well illustrated by the difference between Chinese writing and our own. It is difficult for western minds to appreciate the part calligraphy has played in the development of Chinese culture. It lies at the root of all Chinese civilisation. It is also in itself one of the highest achievements of Chinese art and it is through her art that China's civilisation can best be understood.

The real impact of Europe upon China began about the end of the eighteenth century, and at that time, outside a very limited circle, practically nothing was known about China. The idea that the Chinese were a highly civilised people would have been scouted as fantastic, but this is not surprising because we are still only partially aware of China's greatness and such knowledge as we have has only very recently been acquired. Just ten years ago there was held the great exhibition of Chinese art at Burlington House in London, and it will be long before men forget the overwhelming impression that this revelation of the Chinese genius made upon the minds of those who saw it. Only forty years ago the gulf between east and west was still so great that few people, even in France, realised that an art of painting existed in China at all. Laurence Binyon's book *Painting in the Far East*, which was first published in 1908 and which is still the best book on the art of China and Japan, gave for the first time an authoritative account of the astonishingly high level to which the art of painting—particularly landscape painting—has been carried in China. Up to about that time the Chinese were still regarded as a semi-barbarous people, best known for the quaint and charming objects they produced—the chinoiserie which exercised so great an influence on ornament, but which could not be dignified by the name of art. Within the last few decades we have come to realise that a great creative art lay behind the lacquer and the porcelain that poured into Europe from the end of the sixteenth century onwards, but it is an art of a different kind to the western art to which we are accustomed. The chapter on east and west in Eric Newton's little book, *European Painting and Sculpture*, begins with the statement that "roughly speaking the story of art is the story of two unconnected groups of artists with quite different points of view," and he goes on to show how a landscape by a Chinese artist of the Sung period and a landscape by Constable seem to have been called into being by two different sets of forces working in different directions. What is true of art is true of civilisation. The great north China plain and the countries round the Mediterranean were each



an original focus of civilisation, but in each it had a different origin and developed along divergent paths.

Chinese civilisation had its origin in the broad belt of loess that stretches from central Asia across the north China plain to the Shantung promontory on the Yellow Sea. It was here that the inhabitants of north China were first tempted to abandon hunting and food gathering and settle down in small communities to cultivate the fertile loess soil. The loess is a fine wind-borne loam covering the ground with a yellow blanket to a depth in some places of several hundred feet, and it has the peculiar property that its fertility is renewed when a new surface is exposed by the agency of man or nature. It had the further great advantage, compared with river valleys like the Ganges or the Nile, that there were neither marshes to be drained nor forests to be cleared. There were, however, difficulties of another kind. The Yellow River, for example, unless confined within its bed by many hundred miles of dykes—well planned and carefully maintained—was liable to break loose and cause widespread destruction. Water control and irrigation called for large-scale collective efforts over wide areas and it was the solution of these problems that stamped its distinctive character on the Chinese civilisation at its birth.

The great agricultural civilisation that grew up on the north China plain developed in its earliest stages the tradition of co-operation under the guidance of a trained and educated bureaucracy. China's legendary heroes are not conquerors or warriors but culture heroes concerned with the arts of peace such as Huang Ti, the Yellow Emperor, and his Consort to whom are attributed most of the refinements of a civilised society, and the Great Yu, who taught the people how to control the floods. The traditional division of society is into the four categories Shih, Nung, Kung, Shang. The merchant Shang is at the bottom of the scale and the scholar Shih is at the top, while the farmer and the craftsman occupy the second and third place respectively, and to the soldier is assigned no place at all. This division is still further simplified down to those who work with their minds—the

scholar-official-landlord class—and those who work with their hands—the peasant farmers who compose the great mass of the people. There was, however, no hereditary aristocracy and it was easy to pass from the ranks of the one to the ranks of the other. The only aristocracy was an aristocracy of learning, and in a social system based on the family rather than the individual it was not difficult for a boy of talent to raise himself and his whole family to wealth and honour by the road of learning and official rank. It was the nearest approach mankind has yet made to the classless society and it was achieved not by conflict or class war but by co-operation.

The Chinese, like the Greeks, believed that education was the key to all political problems and they carried the theory into execution on a grander scale than was possible for the City States, for the survival of civilisation on the north China plain depended on the labours of a trained bureaucracy. The tradition of an educated official class can be traced back to the second millennium B.C. and is thus the oldest tradition in human history. The bureaucracy was the instrument by which the Emperor carried out the Mandate of Heaven. In China, as in Greece, the goal of politics was human good, but in Greece the good life was only for the favoured few—a life of leisured dominion over others—while in China the object of government was to secure the welfare of the people. The Chinese thought naturally in terms of the universal. At all stages in the expansion of the early communities into the State they held to the family as the pattern for all forms of human association. They saw no reason why limits should be set to its powers of expansion and assimilation. As the family had expanded into the State so, it was thought, the social order was destined to expand until it reached the final goal of the Ta T'ung—the Grand Harmony of mankind into which all races would be absorbed.

In the countries round the Mediterranean where the peculiar conditions of the loess did not obtain there was not the same incentive as in China to large-scale co-operative labour directed towards specific ends. The survival of the

primitive communities depended rather on their capacity to integrate into compact groups able to hold their own against their enemies. Civilisation did not spread by extending the range of co-operative labour or by the transforming influence of a way of life, but by conquest and annexation. Western philosophers and historians are so accustomed to the phenomenon of civilisation introduced by some conquering tribe of invaders that they have difficulty in appreciating that a civilisation like that of China can have its origin and develop in the place where it is now found. The City States of Greece lived in perpetual rivalry and conflict, each striving so to organise the State that it might become more powerful than its neighbours, and it was only after they had been conquered and subjected to the universal dominion of Rome that they were merged into a larger unity. Western civilisation is derived from three countries bordering on the Mediterranean—from Greece, from Rome and from Palestine. From Rome it inherited the idea of law—supreme, impersonal, majestic and just—imposed upon all individuals from above, protecting individual rights and compensating for differences of rank, power and privilege by creating the sense of equal rights before the law. From Palestine came the conception of man's nature as radically evil and capable of redemption only by reliance on a supernatural power, and hence the intense concentration upon personal salvation and the supreme importance attached to the development of the individual. From Greece was derived the framework of our social and political order. The notion of man as the centre and apex of creation was common to both Greece and Palestine, but the Greek conception of the good life came into conflict with Christian ideals which value just those virtues that Greek philosophy despises. The tradition of perpetual conflict, which perhaps it would not be fair to ascribe to Greece alone, has introduced into our civilisation other discords that cannot be resolved. A religion of love, intended to embrace all mankind, has been distorted by a spirit of persecution and intolerance and its followers are divided into sects engaged in conflicts as bitter as those of the City States of Greece.

The City State as a form of political organisation has recurred in Europe with great persistence. The rise of City States marked the return of civilisation after the fall of Rome and during the Middle Ages the Great Powers were City States—Venice and Genoa, Ghent, Bruges and Florence and the Hanse Towns. The City States were superseded by the Nation States which a Chinese writer described in 1914 as *Hu Shih Tan Tan*—tigers with drooping ears glaring—and these Great Powers have now in turn been dwarfed by the new giants—the Soviet Union and the United States—but the tradition of conflict is still carried on. Long before the Middle Ages China was famous for her many vast and wealthy cities, but perhaps because the merchant was held in such low esteem the city never became a political unit and was never, as such, a source of influence or power. When Europe expanded into Asia foreign traders carried with them something like the City State. Macao in the sixteenth century, Hongkong, treaty ports such as Tientsin and especially the great International Settlement<sup>21</sup> at Shanghai bore some resemblance to the City State of Europe. In 1862, while the Taiping rebellion was devastating the country round Shanghai, the British merchants who controlled the administration of the International Settlement put forward a plan for a "Free City, under the protection of the four Great Powers, but exercising its own Government through its own chosen officers". The plan was not approved but this dream continued to haunt the imagination of the City Fathers for more than half a century. The growth of Chinese municipalities is one of the signs that western ways of thinking and western institutions are beginning to take root.

It would be rash to assert that China has more to learn from the west than the west from China. When one remembers the contributions to the common stock that China has made in landscape painting, in tea, in silk and lacquer and porcelain, it should be no surprise to find that in such matters as the social sciences also China has made discoveries which have come much later to the west. The doctrine that governments exist to secure the welfare of the people wins general

acceptance, but not long ago it was not the platitude that it has since become. Ferrero relates in *The Reconstruction of Europe* how Talleyrand, in one of his reports to Louis XVIII, referred in a deprecating manner to "a widespread belief, which it would be impossible to eradicate, that governments exist only for the benefit of the people". In eighteenth century England it was still the favoured few for whose benefit government was organised but in the twentieth century we have taken as our guide the nobler principle long ago laid down in China. In this century also the brotherhood of man has become something more than a vague and unrealisable aspiration. This was the vision that inspired Grotius in the sixteenth century to open the gates of international comity to all men and to every nation, Christian and non-Christian alike. His argument was based on the belief, which has a strangely Confucian flavour, that man is by nature friend to his fellow-men and that peace not war is the natural condition of mankind, but his teaching was rejected by the theologians and the lawyers who thought of man as a being whose nature was radically corrupt and who believed (to quote the words of the great lawyer, Sir Edward Coke) that "infidels are perpetual enemies" and that "between Christians and infidels there is perpetual hostility and can be no peace." Grotius was defeated by the spirit of bigotry, intolerance and persecution and by the end of the eighteenth century all Europe worshipped at the shrine of the Sovereign State made by man in his own image. How to dethrone the Sovereign State is the great problem of the twentieth century. For the second time in thirty years we are setting up an international organisation which represents the first faltering attempt to grope our way towards the Confucian goal of the Grand Harmony of mankind.

The troubles which have disturbed relations between China and the west since the end of the eighteenth century are mainly due to conflicting views regarding the rule of law and the rights of individuals. The difficulties continue, for China has not yet found a way of reconciling the conceptions of the west with ideas that are of the essence of her civilisation. To the men who framed the American

Declaration of Independence of 1776 it seemed self-evident that all men are endowed by their Creator with certain inalienable rights and that to secure these rights governments are instituted among men. To the Chinese mind this is not self-evident at all, for in China the emphasis is laid not upon rights but upon obligations. The function of the state has been described by Ku Hung-ming, a distinguished Chinese philosopher who was also a graduate of Oxford University. He points out that it is the sense of responsibility in human conduct that makes human society possible and in China, therefore, it is recognised as the fundamental basis of the social order. The scheme of education, the method of government and all social appliances have for their aim and object to educate men to the sense of moral obligation.<sup>8</sup> The unit of the social order is not the individual but the family and the social order itself is an expansion of, and possesses the essential character of, the family. In a well-ordered family individuals do not insist upon their rights; matters are arranged by agreement, adjustment, compromise—a process which the Chinese call “jang.” Similarly in the social order individuals are not encouraged to believe that they possess inalienable rights or to demand that their rights should be secured by legal machinery set up by the state. On the contrary, it is the duty of the state to discourage litigation by all means in its power. “As an arbiter in litigation,” said Confucius, “I am no better than other men, but surely the grand object to achieve is that there should be no litigation at all.”

Alexander Michie in *The Englishman in China*, has described the reactions of the Chinese residents in Hongkong to the rule of law after Hongkong had become a British colony: “as for litigation,” he says, “it is rare; it is discreditable and has no place in the Chinese commercial economy.” What Michie, writing from the English standpoint, did not realise is that, in China, litigation is discreditable not only to the plaintiff and defendant but also to the District Magistrate—the Hsien—in whose court the suit is brought. The magistrate is the Father and Mother Official—the Fu Mu Kuan—and the most im-

portant part of his functions is to maintain the moral tone of his district by example, exhortation and education so that the people may live harmoniously together and settle all their differences without recourse to litigation. Foreign observers have often been puzzled by the procedure in a Chinese civil Court. The Magistrate appears to expect that all concerned—plaintiff, defendant and even witnesses as well—should explain why they have come into court at all: he treats them as if they had all been guilty of discreditable conduct and the proceedings may end in any one, or all, of them being consigned to prison. This is, of course, the natural outcome of the Confucian doctrine that “surely the grand object to achieve is that there should be no litigation at all,” but it shocks those imbued with the western conception of the rule of law and is a fertile source of misunderstanding. Some curious consequences, for example, followed the assumption by the Chinese authorities of jurisdiction over some quarter of a million Russians residing in Manchuria when the Chinese Government decided in 1920 to cancel the extra territorial privileges they had previously enjoyed. The China Year Book, 1921-22, describes how a civil trial between two Russians “resulted in a verdict not against the defendant but against one of the witnesses. When this sudden decision horrified the persons present at the hearing the judge only remarked that ‘the Court knew what it was doing.’”

The story of law, like the story of art, illustrates the different origins of the Chinese and European civilisations and the divergent paths they have pursued. In the ancient civilisations from which modern Europe eventually emerged the Ruler was commonly worshipped as a god and large slave populations performed services which were deemed unworthy to engage the attention of a civilised man. This social structure was reflected in religion which conceived a universe in terms of Despot and slaves and in philosophy which conceived law as not immanent but imposed. Western Europe inherited these ideas from Rome. The Divine Right of Kings is the pale shadow of the Divine Emperor and Christianity has never quite shaken off the idea of a

Divine Despot and a slave universe Christian ethics, however, and the Platonic doctrine of the soul, which Christianity assimilated, saved Europe from the fate which overtook the civilisations of the Near East. The conception of the essential greatness of the human soul, the religious sense of the brotherhood of man and the vast success of Roman law in imposing unity, order and justice over the civilised world formed a complex of ideas which gradually brought about the transformation from the slave foundation of society, which was universal in the ancient world, to freedom which is the essential presupposition of modern political thought. So deep was the impression made by this slow evolution that the rule of law and respect for the rights of the individual came to be regarded as the two essential characteristics of a civilised society.

Roman law and the Platonic-Christian doctrine of the soul never penetrated as far as China, but, on the other hand, China never suffered the constricting influence of the City State, nor was Chinese thought infected by the religions of western Asia. The peoples of western Asia imagined a deity and a universe fashioned after their own social system but the Chinese reversed this process and sought to construct a social order on the same pattern as the universal order: the notions of a Divine Emperor and a slave universe ruled by a Divine Despot were quite alien to Chinese ways of thinking. Whitehead quotes the saying of Plato that: "The creation of the world—that is to say the world of civilised order—is the victory of persuasion over force," but the remarkable fact about Chinese civilisation is that slavery—the most brutalising of all forms of force—was almost unknown and China never trod the long painful road from slavery to freedom, from force to persuasion. As far back as it is possible to discern reliance was placed on the persuasive agencies described by Ku Hung-ming. Law was not a method of coercion for the purpose of enforcing rights but a method of persuasion by which it was sought to make men understand their obligations.

The European conception of law has a dual origin in Greece



and Palestine. The Jewish notion of law imposed by the will of a transcendent God passed into Roman law and thence to modern Europe but the Platonic influence on Christianity has effected a fusion in European thought between the Hellenic doctrine of immanence and the Jewish doctrine of imposition. Jurists waver between the philosophical doctrine of the English common law that law is imposed and the belief that law is not imposed *ab extra* by judges or Parliament but is developed by the pressure of commercial convenience or local idiosyncrasy. It is doubtful policy, says one writer, for law to adopt a higher ethical standard than the citizen, but this is contradicted by another who maintains that the law is pedagogue and that one of its functions is to educate the community in habits of rational and social living. What emerges from these opposing views is a system which seeks to attain a proper balance between rights and obligations and to achieve both the rule of law and the Confucian aim of encouraging the sense of moral obligation. The deepest secret of English social existence, as Namier has pointed out, is that the Englishman does not try to enforce every right that he possesses: "English freedom and English democracy, and the limitations set on both, have their living force in feelings of respect: respect for the individual, for human rights, for prescriptive rights, for social superiority. . . . On feelings of respect are built those silent compromises which render possible a civilised human existence."<sup>4</sup> These silent compromises are exactly what the Chinese mean by "jang."

The problem that faces China in the modern world is to find a basis for the social order in a fusion of her own conception of the sense of moral responsibility with the western conception of the rule of law. In the west a law is a command to be enforced by sanctions. In China it is an exhortation, a method of educating men to the sense of moral obligation. In place of the rule of law the Chinese apply the doctrine of devolution of responsibility. The obligations of each individual towards each other member of the community to which he belongs are clearly defined and understood. The social order is a vast network of communities—a million

village republics—and for the good order of the whole a chain of responsibility runs from each village headman up through District Magistrates, Taotais, Governors and Viceroy to the supreme ruler who in turn is held responsible for carrying out the Mandate of Heaven to secure the welfare of the people. Each one along the chain is held responsible to his superior for the good order of that portion of the network committed to his care. The District Magistrate, for example, is the Father and Mother Official and if there are too many robberies or an excessive number of lawsuits he is liable to be punished, although according to western ideas he may not have been to blame; but punishment does not necessarily follow the infraction of a law. An individual is not punished if he fails to reach the ideal standard which the law seeks to set up, but if his conduct is prejudicial to harmony and good order or a danger to the state he is sacrificed without a moment's hesitation.

It was not until towards the end of the eighteenth century that difficulties began to arise between China and the west owing to these two different conceptions of the nature and function of law. The little communities of foreign traders had always been regarded in the haughty Chinese way as people born beyond the pale of civilisation. They could not be received into the social order or expected to conform to the usages of a society whose philosophy they were not sufficiently instructed to understand; so the difficulty was resolved by applying to them the doctrine of devolution of responsibility. The foreign traders were expected to live together as an organised community managing their own affairs according to their own national laws and customs and to choose a Headman whom the Chinese officials could hold responsible for the good conduct of his nationals. It was a kind of extra-territoriality imposed by China upon the strangers within her gates and as long as China remained a great and orderly civilisation this *modus vivendi* worked with fair satisfaction to both sides. It began to break down, however, towards the end of the eighteenth century when there came a change in the relative positions of China and the west.

The sudden outburst of scientific genius in the sixteenth century led to the industrial revolution and an immense increase in the wealth and power primarily of England and later of western Europe as a whole. The fact that there has been no similar movement in China has given rise to the belief that Chinese mentality lacks some necessary element for the development of the scientific spirit. The history of Chinese science is only just beginning to attract the attention of scholars in China and the west and definite conclusions must therefore wait on fuller knowledge. It will probably, however, be generally agreed that the Chinese do not possess the adventurous spirit and eager curiosity that gave birth to science in ancient Greece. The whole trend of Chinese mentality is in the opposite direction. A Chinese normally and without difficulty combines beliefs drawn impartially from Taoism, Buddhism, Confucianism and Christianity but the dominant element is always Confucianism which tends to damp down speculation and to persuade men to concentrate attention on the duties and obligations which face them here and now. The Chinese have done little in mathematics and have been handicapped in this respect by their system of writing which, despite its literary and artistic merits, does not favour the development of anything comparable to the Arabic system of arithmetical notation. Nevertheless for more than two thousand years after Greek science began with Thales in 600 B.C. China was ahead of all the countries in the near east and western Europe in all that is accounted civilisation. Ordered government, not based on slavery, was established over wide areas, art and culture were maintained at a high level and the Chinese excelled in technology and craftsmanship. In Europe, from classical times till the use of cannon in naval warfare in the fourteenth century, there was no advance in technology and even after that date China retained her lead for some centuries longer. A happy combination of Greek speculation and Moslem mathematics brought the Middle Ages to a close and started science on the triumphant career which enabled Europe to overtake China. This can hardly be attributed to some special

superiority of European over Chinese mentality, for Greek speculation had lain dormant for nearly two thousand years and mathematics was advanced not by Christians but by Egyptians, Jews and Arabs. Science originates in a mode of thinking about things so as to be able to manipulate them to desired ends and scientific thought is distinguished from other modes of thought by being proved valid in action.<sup>41</sup> China's long superiority over Europe would therefore seem to indicate that the Chinese do not lack the scientific spirit. Not science but law is the great problem facing modern China.

China's failure to meet the challenge of the industrial revolution was due mainly to her sudden collapse in the opening years of the nineteenth century. It is very instructive to note the change of tone that creeps into the reports of the East India Company's representatives in Canton. As late as the 1790's they were greatly concerned because the Chinese system of devolution of responsibility thrust upon them duties which they had no means of carrying out and they feared that in so well ordered a country as China their inability to dispense justice and exercise a proper control over the English sailors, numbering perhaps some two thousand men, who formed the crews of the sailing ships waiting in the Canton river, might reflect discredit upon Great Britain. After 1800 their chief anxiety was the injury to their trade caused by the depredations of pirates and brigands. In 1793, when Lord Macartney conducted his famous embassy to the Court of the aged Emperor Ch'ien Lung, China was still in outward appearance a great, powerful and well-ordered country, but ten years later rebellions had broken out in many provinces and the whole empire had fallen into a miserable state of brigandage, piracy, corruption and misgovernment.

So imposing a structure as China could not have collapsed so suddenly unless its foundations had decayed, and there are grounds for believing that China's civilisation had been slowly decaying for several hundred years. Music, for example, plays a very insignificant part in the life of modern China, but

in ancient China a youth was not considered to have received the education of a gentleman unless he was a good musician and was learned in history and mathematics as well as skilled in archery and chariot driving. Confucius attached the greatest importance to music, but music and much else was banished by Chu Hsi and his school of moralistic philosophers who reinterpreted the Confucian canon in the time of the Sung dynasty 700 years ago. Their teaching, like that of the Puritans in England, cramped the spiritual and artistic life of the people and had an even more disastrous effect upon their intellectual development. Those who received degrees at the state examinations, instituted in A.D. 136, constituted the reservoir of educated men from among whom the state officials were appointed. It was a wonderful system which anticipated by some 1700 years the system adopted in England in the nineteenth century for providing recruits for the Civil Service ; but, as we may read in the Book of Common Prayer of 1549, " There was never anything by the wit of man so well devised or so sure established which in the fulness of time has not been corrupted." About the end of the fourteenth century, in the time of the Ming Dynasty, the state examination became stereotyped in the form known as the " Eight-legged Essay." A theme was selected from the Confucian classics on which the candidate was asked to write an essay in four paragraphs, each divided into two members, each member made up of an equal number of words and sentences, and the candidate was not allowed to express any opinion at variance with the views of the celebrated Chu Hsi.

It was not long before the whole Confucian system was corrupted into something incredibly arid, formal and sterile. Let us consider, for example, the character Li, the meaning of which is usually given as " courtesy and good manners " but which, as is usual with Chinese pictograms, connotes much else besides. The original form of this pictogram was the stylised figure of a man offering sacrifice at an altar. It denoted the grave and reverential demeanour of a person engaged in such an act, then by a natural transition the inner feelings of which the reverential demeanour is the appropriate

external manifestation, and then, more generally, the inner principle of harmonious and equably adjusted self-control which results in correct conduct and demeanour in every relation of life. "Courtesy and good manners" is the nearest approach to a translation of this beautiful word of which the English language is capable, but Legge, the great English scholar who translated the Confucian classics in the nineteenth century, most unfortunately translated Li as "the rules of propriety." This mistranslation has done much to obscure the beauty of the Confucian philosophy of life, but some part of the blame rests on the shoulders of Chu Hsi and his successors through whose perversion of Confucius' teaching conformity to certain rules of conduct had to some extent at any rate come to be regarded as the equivalent of Li. It is significant that so sympathetic an observer as Bertrand Russell, writing one hundred years later than Legge, criticised the Chinese for their insistence on trivial points of etiquette.<sup>5</sup> But it is also significant that Li, practised for three thousand years, has made the Chinese of all the people in this world the most delightful to live among.

After the expulsion of the Mongol Dynasty in the fourteenth century intercourse with foreign countries ceased, the springs of art, literature and inspiration dried up and no new stirring from without came to rescue the degenerating genius of the nation from itself. The Eight-legged Essay has been bitterly denounced by modern Chinese writers as one of the worst of the evils that ate into the heart of the nation. Its effect upon the bureaucracy—the institution on which the whole structure of society rested—was disastrous. The corrupting influence of the state examinations and the neo-Confucian philosophy of Chu Hsi was such that when the crisis in China's civilisation came at the end of the eighteenth century the bureaucracy was incapable either of meeting the challenge of the west or of curing the ills which afflicted the social order from within. Western nations were shocked at what seemed callous indifference to the rights of individuals and refused to believe that a people who did not recognise the rule of law had any title to be considered civilised; and the Chinese were shocked

at a social order which seemed to pay slight regard to duties and obligations but encouraged men to struggle for their rights against their fellow-men. The only remedy they could find, however, for all evils, whether from within or without, was the devolution of responsibility and it was the mechanical and unintelligent application of this principle that caused the downfall of China in the nineteenth century

When the national revival began at the beginning of the twentieth century China found that she had been reduced almost to the status of a subject nation. She had surrendered sovereign rights in leased territories, treaty ports, settlements and concessions and foreigners enjoyed by virtue of treaties which China was not at liberty to denounce, a privileged position to which there was no parallel in any other part of the world. This was deeply wounding to Chinese pride. China's gravest danger was the menace of aggression from Russia and Japan, but there was a general tendency among all Chinese to attribute all their ills to the unequal treaties rather than to the abuses in the administration which had remained unchecked for more than a hundred years. They believed that China would not be safe from foreign aggression or free from subjection to foreign powers until she had achieved the status of a fully sovereign state. To the nationalists, therefore, it seemed that the most urgent task was not the reform of abuses, but the abrogation of the unequal treaties, and to achieve this end they believed that it was necessary for China to take over and superimpose upon her own Confucian ideas all the paraphernalia of a western state. They believed that if foreign powers were satisfied that China had adopted a democratic form of government, representative institutions and the rule of law, all guaranteed by a written constitution, it might then be possible to persuade them to abrogate the unequal treaties. They also realised that if China was to take her place in a world composed of sovereign states she must develop her handicrafts—in which she formerly far excelled all other people—into factory industries, and she must also develop such services as banking, shipping, and insurance on a scale comparable to that in England and

America. The great difficulty in making progress along these lines is the Confucian conception of the social order as an expansion of the family. It would be quite impossible to eradicate this conception from the minds of the Chinese people, nor have their leaders any desire to do so, but they have so far failed to discover any way by which a society so organised can employ the machinery—both political and economic—by which western nations have been able to develop the full resources of their countries and organise them for the benefit of the people and the service of the state. As Mr. Shih Kuo-hang explains, "When economic activities cannot be confined to a small family non-family members are brought in. The larger organisation is still mainly organised on the same family pattern; this is accomplished by the extension of kinship feelings to new members. Fellow workers not only mutually call each other brothers but, in fact, behave in a way that characterises brotherhood."<sup>6</sup> Before long there comes a stage when activities that transcend the limits of the family require, according to our western ideas, to be subjected to the rule of law, but the Chinese still cherish the Confucian conception of a law as an exhortation not a command.

In the last forty years there has been a great outpouring of legislation on the western model, but the Chinese—officials and laity alike—pay as much, or as little, attention to these new laws as we should to a sermon by the Archbishop of Canterbury. Factory legislation, for example, was urgently needed for the control of the new industries that had sprung up in great numbers in Shanghai. In due course a Factory Law was promulgated by the appropriate organ of the Chinese Government, but when its provisions were examined it was found that they were an amalgam of all the most idealistic provisions of the factory laws of the most advanced industrial countries. The law was a beautiful piece of drafting, but it had no relation to actual conditions in Shanghai: it was an exhortation and nothing more. The drafting of codes has indeed become one of the favourite literary exercises of the new intelligentsia-cum-bureaucracy that the modern system of foreign style education has produced. A most remarkable



example of this was given in a report that appeared in the press during the summer of 1946. At a time when the country was ravaged by civil war and faced with economic ruin the National Government at Nanking produced a "cradle to the grave" insurance plan which would do more for 400 million Chinese than Lord Beveridge proposed to do for the people of Great Britain.

Sun Yat-sen, the leader of the nationalist movement, believed that it was possible to take over the paraphernalia of the west while retaining the virtues of the Confucian system, but his gallant effort to create a new society by making the best of two worlds plunged China into dire confusion, and the confusion was worse confounded by the appearance of yet another philosophy—the materialistic philosophy of Marx and Engels—whose exponents claimed that they could guide China to her desired goal. Sun Yat-sen and his followers never believed that communism could provide a remedy for the social and political ills of China, but they were greatly attracted by the Soviet system of administration and the notion of the single-party state. Cabinet government and Parliamentary institutions had resulted in twenty years of futility and disillusion, but Sun believed that if the Soviet system were adopted the Kuomintang, the Nationalist Party which he had founded, might play the same rôle in China that the Communist Party had played in Russia. During more than twenty years of frustration the chief aim of the nationalists—one might almost say their obsession—had been the unequal treaties, and the chief attraction of the Soviet experiment was that if it succeeded in giving China a reasonably efficient central government the abrogation of the unequal treaties might be expected to follow almost automatically. These calculations proved to be well founded. As soon as the Kuomintang had been reorganised on the Soviet model it swept the country and the process of the surrender of foreign privilege and recovery of sovereign rights began immediately.

Sun Yat-sen rejected communism, but a communist movement grew up on the extreme left of the Kuomintang under

the influence of a few intellectuals who were attracted by the Marxist doctrine. The theories of Marx were based almost exclusively on his studies of industrial conditions in nineteenth-century England, and the problems for which he offered a solution had not yet arisen, to any great extent, in twentieth-century China. The transition from handicraft to factory industry was in its very early stages, and the great social evil was not capitalism but landlordism. His interpretation of history was even more fantastic when considered in relation to China than to Europe and the method of class war, by which social justice was to be achieved, was as abhorrent to the Confucian belief in the natural harmony of human society as were the passions of hatred and resentment which inspired the Marxian creed. China was hardly, therefore, the kind of soil where one would expect communism to take root, nor would it have done so had not the Soviet Government spent some twenty million sterling in an attempt to use China as the base for world revolution.

The problem of communism in China is in many respects the same as in Europe. Behind the communists looms Russia and no one can feel quite sure from day to day what the relation between them is. The communists profess to be waging a class war and in warfare it is legitimate to deceive the enemy by any stratagem or any lie that may serve the purpose immediately in view. In China, therefore, as in Europe, in the words of a well-informed writer in the *Economist*, "It is not their professed economic doctrines that are frightening . . . but the fact that nobody trusts them to tell the truth, to observe any rules of decent behaviour, to keep any promise, to observe any scruple, or not at a moment's notice to reverse their stand on any issue great or small."<sup>7</sup> In addition to this element of hatred and distrust communism has introduced an uncompromising ruthlessness which is new to Chinese politics, but the civil war which broke out immediately after the surrender of Japan, has certain characteristics which are peculiar to China. It is not so much a communist phenomenon as a continuation of the civil wars which broke out after the revolution of 1912 and have continued with

hardly an intermission ever since. In the Confucian Empire, as in a well-ordered family, there was never any doubt as to where authority lay, but after the disappearance of the Emperor it has never been possible to reconstitute any ultimate and universally recognised centre of authority and power. Under Presidents and Parliaments and Cabinets provincial leaders constantly declared their independence and raised private armies to maintain themselves in power. Many of them—like the Model Tschun of Shansi or the ex-brigand warlord who ruled Manchuria—showed considerable capacity for administration at the provincial level. The same process continued when it was sought to replace the authority of the Emperor by the Dictatorship of the Kuomintang. Those who were dissatisfied borrowed the communist ideology—or at any rate its phraseology—and set up independent administrations of their own. Many of these administrations have been remarkably successful in remedying evils that have long afflicted peasant life. These successes have been achieved, however, at the village level and the communists have shown no sign of possessing greater capacity than the Kuomintang for transforming China's village republics into an efficient nation state.

The strength of the communist movement is less a recognition of its virtues than a reaction against the failure of the Kuomintang. For a few years after the triumph of the Kuomintang in 1928 it seemed as if China might succeed in revitalising her own Confucian system by absorbing into it conceptions drawn from Europe and from Soviet Russia, but the attempt broke down partly owing to her own internal weakness and partly owing to the discordant nature of the elements it was sought to harmonise. The confusion is greater than at any time during the last 150 years and some observers fear that we are about to witness the final collapse of the Confucian civilisation. It is well to remember, however, that Europe's failure is even greater than that of China. Europe's problem is world organisation. After the rejection of the solution proposed by Grotius in the sixteenth century Europe crystallised into a world of sovereign states. In

1919, after the first World War, an attempt was made in the Covenant of the League of Nations to impose the rule of law upon this world of sovereign states, but that also failed and we are now being adjured to avoid the mistakes we made in 1919. Lord Justice Porter, for example, speaking to the International Law Society at Cambridge in the summer of 1946, declared that any immediate attempt to form an international society empowered to use force and make laws binding on all peoples might make neither for peace nor for union among nations: the great task before us, he said, was to discover how to galvanise states to a higher level of conduct. Lord Justice Porter in effect abandoned the rule of law and adopted the Confucian conception of educating men to a sense of their moral obligations.

The wheel has come full circle. In the eighteenth century Europe refused to accept the Chinese as a civilised people because they did not know the rule of law. In the twentieth century Europe is inclining to the Chinese view that it is not the rule of law, but the sense of responsibility in human conduct that makes human society possible.

## CHAPTER TWO

### *The Barriers between Europe and Asia*

*The isthmus of Suez—China needs no European products—Ch'ien Lung and Lord Macartney—demand for silk and spices in the ancient world—no contact between Rome and China—fall of Rome and the rise of the Arabs—first Rulers of the Indian Ocean—City States revive in Middle Ages—feud between Latin Christendom and Islam—European trade confined to Mediterranean—rivalry between Genoa and Venice—rise of Mongols opens land route between Asia and Europe—fall of Mongols—Egypt again holds Europe to ransom—knowledge of China gained during Pax Tartarica—Marco Polo and Friar Oderic—wonder and admiration—vast scale of shipping and maritime trade—Europe seeks a way out of the Mediterranean—Portugal and Henry the Navigator—Bartholomew Diaz—Vasco da Gama sails round Africa—regular voyages to India begin in 1500—Portuguese capture Malacca in 1511—send ship to Canton 1514—three centuries of violence—but force of no avail in Far East—Portuguese still in shipbuilding and navigation—Arab monopoly collapses at first onset—Asiatics the first to make long ocean voyages—but Europe has better ships and seamen—use of cannon in naval warfare in fourteenth century—rapid advance in seamanship and tactics—the herring contributes to sea power of*

*Dutch and English—strategic plan of Portuguese—capture ocean commerce but refrain from territorial conquest—sixteenth century the century of Portugal's greatness—first attempts at Canton and Peking—trading establishments at Ch'uan Chou and Ningpo—driven away and massacred—allowed to leave a settlement at Macao—the forerunner of treaty ports in twentieth century—similar settlements for Arab and Persian traders in seventh century—the foreign quarter at Canton—from Macao Portuguese monopolise trade of China and Japan—union of crowns of Portugal and Spain in 1588—Portugal's decline begins—Dutch sail east and Amsterdam displaces Lisbon—Dutch fail to oust Portuguese from Macao—British East India Company founded 1600—timid and unenterprising compared with Dutch—factory opened in Japan 1612 but withdrawn ten years later—Weddell at Canton 1635—uses violence and eats humble pie—Manchu Dynasty succeeds the Ming in 1644—"rude, unlettered and flushed with conquest"—Manchus adopt Chinese civilisation—success of East India Company's ship the "Macclesfield," in 1699—"a full and rich cargo"*

*Until the great Portuguese navigators of the fifteenth century found the way round the Cape of Good Hope the isthmus of Suez interposed an effectual barrier to intercourse between Europe and Asia. In 1793 the Emperor Ch'ien Lung told Lord Macartney that China lacked no product within her borders and had no need to import the manufactures of outside barbarians. This was not mere Chinese arrogance, for at the time of Lord Macartney's mission to the Court at Peking the ships of the East India Company still carried bullion to Canton to buy tea and silk, and it was not till some decades later that European manufacturers began to find a market in China. For the previous two thousand years Europe had been eager to obtain the products of the east. In the ancient world the commodities most eagerly sought after were the silks of China and the spices—pepper and cinnamon, cloves and nutmeg—produced chiefly in the islands lying between Malaya and Australia, and the great obstacle to obtaining them was the little neck of land, 97 miles across, at the eastern end of the Mediterranean. Pepper and silk and the Isthmus of Suez have played a greater part in shaping history than soldiers and statesmen.*

The trade in silk was the greatest large-scale commerce of the ancient world. It came to Europe all the way by land across the whole width of Asia, or part of the way by sea as far as the Red Sea or the Persian Gulf after which the journey was continued by land; and in either case the tribes and nations inhabiting western Asia and the lands at the head of

the Persian Gulf and on either side of the Red Sea were able to levy toll on the traffic passing through their territory. The curtain they let down between Europe and the East prevented direct contact between Rome and China. Each was a world civilisation surrounded by a fringe of outer barbarians; each heard of another civilisation at the other end of the world, but the two civilisations never met. They just touched with the tips of their antennae and that was all.

Chinese civilisation continued its majestic progress across the ages, but the Roman Empire declined and fell, plunging Europe into a darkness which lasted many centuries. This was the signal for the rise of the Arabs, a great seafaring race, who are still very conscious of their cultural heritage. They became the first rulers of the Indian Ocean, and their empire extended from Damascus over the whole of North Africa to Cordova. European civilisation began to revive about A.D. 1000, and the characteristic features of the ensuing age were the rise of City States, comparable to the City States of ancient Greece, the struggle between Venice and Genoa for supremacy in the Mediterranean, and the bitter feud between Latin Christendom and Islam. The Crusades were primarily wars of religion, for both sides acted on the doctrine that "between Christians and infidels there is perpetual hostility and can be no peace"; but Europe's economic grievances against Islam made the religious feud more bitter. Islam had spread all over western Asia and closed the land route from the east while a Moslem power established in Egypt and in Palestine was able to cut across the throat of Europe.<sup>8</sup>

The intrusion of the Arabs into the Mediterranean during the first millennium of our era gave Europeans for the first time a sense of being cooped up in one corner of a world which was immensely larger than they had realised. The maritime trade of the east, in which they had no share, exceeded many times in volume the commerce of the narrow seas in which European vessels were confined. The produce of India and the Far East destined for the Mediterranean was carried in Arab vessels up the Red Sea and its transport onward formed an important part of the carrying trade of the Mediterranean. There was

bitter rivalry between Genoa and Venice who each sought to secure a monopoly of the distribution of this eastern commerce. Venice gained an advantage over her rival by entering into an unholy alliance with the Moslem power at Cairo. The Genoese then conceived the bold idea of breaking the monopoly of both Venice and Islam by sailing their own vessels on the Indian Ocean. Their first plan was to make an agreement with the ruler of Persia and obtain permission to launch a fleet in the Persian Gulf. When this fell through they turned to the alternative plan of outflanking Egypt by sailing round Africa to the east. In 1291 Ugolini de Vivaldo set out with two galleys from Genoa. He sailed through the Straits of Gibraltar and was never seen or heard of again.

This first attempt to sail from Europe to the east was not followed up, for by this time the rise of the Mongol power had broken down the barrier erected by the kingdoms of western Asia and Islam no longer had the power to throttle the trade of the Mediterranean with the east. In 1222 Genghiz Khan defeated the confederacy of Russian Princes on the Dnieper. He had already begun the encroachment on northern China which three generations later established a Mongol Dynasty—the Yuan—on the Dragon Throne at Peking. Thus from the beginning of the thirteenth century until the Yuan Dynasty was driven out of China in 1368, a period of about one hundred and fifty years, a great Mongol Empire extended from the confines of Asia to the heart of Europe. Caravans passed once more along the old Silk Road that led from China to Rome and during this Pax Tartarica travellers, priests and merchants passed freely and in security for the first and only time in history through the whole width of Europe and Asia. The outstanding figure of this era is Marco Polo, beside whose full orb, as Yule remarks, all other travellers in that region are stars of low magnitude.

When the Mongol power collapsed Islam revived and before the end of the fourteenth century the curtain had descended once more in western Asia. Communication by land between Asia and Europe ceased. Egypt again held all Europe to ransom and the prices of all eastern goods were raised

threefold. This situation was the more exasperating because during the Pax Tartarica Europe had for the first time become fully conscious of "that spacious seat of ancient civilisation which we call China."<sup>9</sup> The accounts brought back by Marco Polo, Friar Oderic and other travellers of the vast extent, population and wealth of Cathay and of the immense volume of her maritime trade revived the feelings of wonder and admiration that China had inspired since the days of ancient Rome, and which have persisted down to modern times. Yule has summarised the notices of China found in the works of Pliny, Ptolemy and other authors of that time: "The region of the Seres is a vast and populous country, the people are civilised men of mild and frugal temper, eschewing collision with their neighbours and even shy of close intercourse, but not averse to dispose of their products of which raw silk is the staple."<sup>9</sup> Theophylactus writing in the seventh century describes their wealth and luxury and adds "they have just laws and their life is full of temperate wisdom" Similar accounts were brought back by every traveller for the next 1200 years; they all spoke of a great and populous empire, a wealthy and civilised people skilled in every kind of craft ("Their betters as craftsmen in every art practised by man are not to be found in the whole world") a just and orderly administration with security for property and systematic protection afforded to travellers<sup>9</sup>

One fact that never ceased to astonish travellers to China from the earliest times down to the nineteenth century was the great size and number of the vessels they saw in Chinese ports. The junks that sailed from Canton to the Persian Gulf as early as the third century A.D. had triple sides and were divided into watertight compartments for security; and they were so huge that ladders several tens of feet in length were required to board them. The vast scale of the shipping in Chinese ports continues to be a theme common to all travellers from mediæval down to modern times—from Marco Polo and Oderic down to the supercargoes of the eighteenth century. A few years before Shanghai was opened to foreign trade by treaty in the middle of the nineteenth century a



traveller recorded his astonishment at the forests of masts and miles of junks in the river. After a fortnight's observation he calculated that the tonnage annually entering and leaving Shanghai was equal to that of the Port of London. At the end of the fourteenth century when Europe was cut off once more from this El Dorado by a Moslem power astride the Isthmus of Suez the urge to find an all-sea route to the Indies became more compelling than before

The maritime trade of Europe had already begun to expand beyond the limits of the Mediterranean. The leading maritime power was no longer a Mediterranean City State but Portugal, a small country, but situated well out in the Atlantic beyond the pillars of Hercules. The sea power of Portugal was largely the creation of Henry the Navigator, a grandson of John of Gaunt and a born leader of men. The great sea captains and explorers of the fifteenth century gradually felt their way further and further down the west coast of Africa and thus prepared the way for the great achievement of Bartholomew Diaz. In 1486 Diaz was sent on a definite mission to find the way round the southerly point of Africa. His orders were to persist or perish. He persisted and succeeded in sailing round the Cape of Good Hope, but was forced to return without exploring further. Some years were wasted before this success was followed up because Columbus and those who believed in him continued to insist that the shortest way to China was to sail due west. Columbus made his famous voyage in 1492 and to the day of his death believed that he had reached the eastern shores of Asia somewhere near Japan—the Zipangu of Marco Polo. At length King Manoel of Portugal, "desirous by all means that his ships should find out the spiceries," ordered Vasco da Gama to sail round Africa to India. He duly set sail with four ships, the largest of which could have passed through Teddington Lock, rounded the Cape of Good Hope, reached Calicut on the Malabar coast—the west coast of India—and returned to Lisbon in 1498 with a cargo of Malabar pepper—the first such cargo to reach Europe without having paid tribute to some intermediary in western Asia or at the eastern

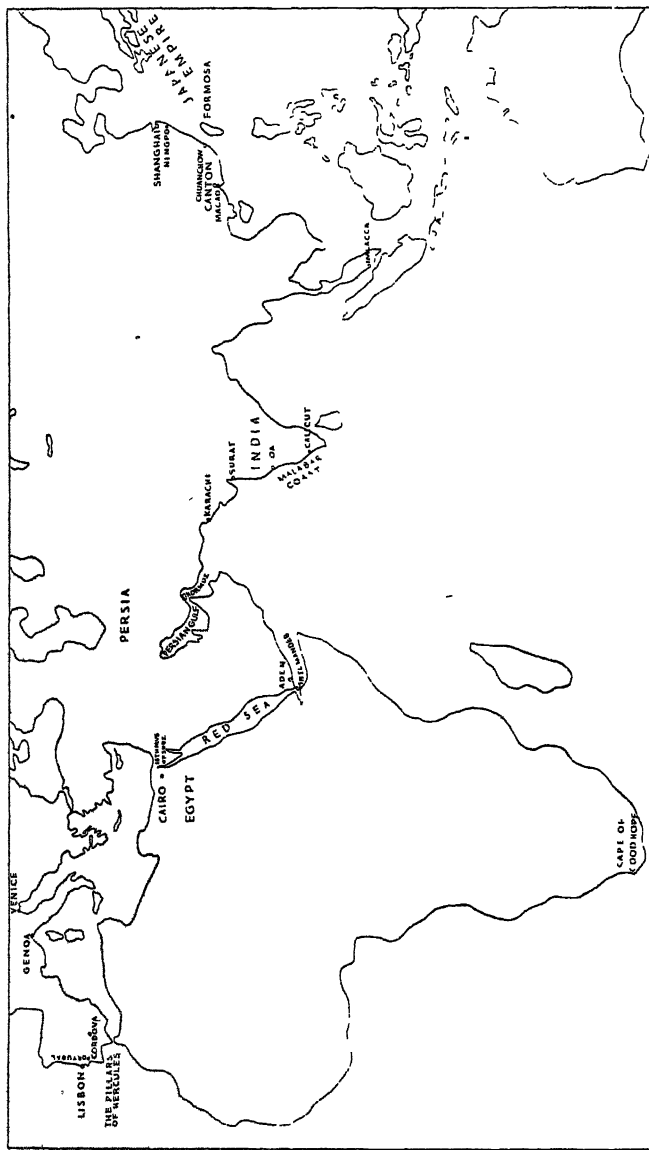
end of the Mediterranean Regular voyages round the Cape began in 1500, and in that year King Manoel assumed the title of "Lord of the Navigation and Commerce of India, Ethiopia, Arabia and Persia" In 1511 the Portuguese captured Malacca, the chief port in the Spice Islands, and three years later they sent a vessel with a cargo of spices from Malacca to Canton This was the first beginning of direct commercial relations between China and the nations of Europe.

The irruption of the Portuguese into the Indian Ocean ushered in three centuries of lawlessness and violence "It was an age of monopoly and of buccaneering expeditions—the holders fighting to exclude all others from sharing in their profits; the intruders fighting for free trade, which, when they obtained it, they in turn sought to convert into a monopoly for their own benefit"<sup>10</sup> Developments in the Indian Ocean, however, differed in one important respect from those in the China Sea. Over the vast stretch of ocean from the east coast of Africa to Java violence was the normal and natural method of securing commercial advantages, but in the lands beyond the Spice Islands—in China and Japan—traders found by experience that it was prudent to conform to the decrees of constituted authority, for those who resorted to violence discovered that the native rulers had means to punish them or to penalise their trade. The statements that are sometimes made to the effect that Europeans forced their way into China and sent warships to compel the Chinese to trade have no historical foundation.

When the Portuguese arrived upon the scene Chinese junks had ceased to trade beyond Malacca Chinese goods were there exchanged for spices and from Malacca westwards the whole commerce of China, of the Spice Islands and of India was carried in Arab vessels to the Red Sea and the Persian Gulf. The Arab monopoly was complete, but "Arab domination was not a prearranged and intentional sea conquest conducted under an organised system of central authority. It was an unforeseen growth of power arising through private adventurers acting *en masse*"<sup>11</sup> When chal-

lenged by the Portuguese, who had a definite strategic plan and a system that imposed discipline and co-ordination from above, the Arab power collapsed without striking an effective blow in self-defence. The rapid and overwhelming triumph of the Portuguese was also largely due to skill in shipbuilding and navigation of so high an order that no Asiatic people could hope to emulate it.

In deep-sea sailing and the development of long range commerce Asia had a long start over Europe. East of Suez monsoons blow at fixed seasons of the year in one direction for several months at a time. It was in Asia, therefore, that seamen first performed the daring feat of sailing out into the open sea till they lost sight of land. Up to about 1400 the people of Asia followed the sea in far greater numbers than Europeans and navigated their ships over a far wider extent of the earth's surface. They made long voyages across the oceans while Europeans were restricted to short scrambling voyages scarcely ever out of sight of land. For these short voyages in the narrow seas, however, stouter and handier ships and greater skill and daring in navigation were required than for the longer but less eventful voyages of the merchant ships of Asia. Moreover, during the fourteenth century both shipbuilding and navigation received a tremendous stimulus from the invention of cannon and their use in naval warfare. When the British defeated the French Navy at Sluys in 1340 "cannon had as yet no place in warfare at sea. Still, as at Salamis, ships rammed and grappled each other and the fight was conducted with swords, spears and arrows like a battle on land."<sup>12</sup> After the invention of cannon "it became possible to disable a ship at long range and power of manoeuvre at once became all important. This gave a new impetus to shipbuilding and new types of vessels were evolved. There was likewise a rapid advance in seamanship and tactics."<sup>13</sup> The herring also had some share in the development of European supremacy in seamanship. In 1415 the herring transferred its spawning ground from the Baltic to the North Sea. This not only led to a great increase in deep-sea fishing in early Tudor times in England but contributed also to the



*The Expansion of Europe*

rise of the Dutch as a sea power. By the end of the fifteenth century, when the Portuguese at length found their way round Africa into the Indian Ocean, Europeans had become incontestably the best deep water seamen the world has ever produced. The Arabs collapsed at the first onset and from that time onward the westerners were masters of all the seas in the world. "The command of the sea was disputed between various European nations, but never seriously from the battle of Lepanto in 1571 to the Russo-Japanese war in 1904 between Europeans and Asiatics"<sup>11</sup>

The Portuguese did not aim at territorial conquest. Their objective from the beginning was limited and clearly defined. They were determined that the commerce of China, the Spice Islands and India should no longer be carried in Arab vessels to the Red Sea and the Persian Gulf, but in Portuguese vessels round Africa to Lisbon; and they achieved their aim by the ruthless use of force against the Arabs and the local rulers and traders in India and the Spice Islands. Their strategic plan was simple in the extreme. They blocked the Persian Gulf by seizing Hormuz, and the Red Sea by seizing Bab-el-Mandeb, and they established themselves at Malacca, the collecting centre for China and the Spice Islands, and at Calicut (later Goa), the collecting centre for India. They did not interfere with the purely local trade in India or the Spice Islands but the local craft, which had formerly transhipped their cargoes into Arab vessels, were forcibly diverted to the collecting centres at Malacca and Calicut. This plan, devised and carried out by the great captains sent out from Lisbon, was immediately and completely successful. The sixteenth century was the century of Portugal's greatness and for a hundred years she was the undisputed ruler of the Indian Ocean.

In the China Sea the course of events was very different. After their seizure of Malacca the Portuguese immediately established friendly relations with the Chinese merchants from Canton who found Portuguese control more favourable to commercial enterprise than the rule of the native Sultans. They sent a vessel three years later to Canton and though

they were not permitted to land they sold their goods to great advantage and found there was as great profit in taking spices to China as to Portugal. An ambassador was then sent to open negotiations with the Ming Emperor at Peking. He set out from Malacca with eight ships in 1517 and was actually summoned to Peking two years later, but these favourable prospects were wrecked by the misconduct of another Portuguese captain, Simon de Andrade, whose violent and piratical behaviour at Canton in 1518 provoked the anger of the Chinese. All the Portuguese were driven away from the coast and the ambassador was sent away from Peking and thrown into prison where he died a few years later. Trade was subsequently resumed and permission was granted by the local authorities at Ch'uan Chou and Ningpo for the Portuguese to have warehouses and places of residence for their factors, but again they were guilty of violent and piratical behaviour, in consequence of which they were attacked and driven away, many of them being massacred in the process. Chinese merchants, however, were eager for foreign trade and local officials along the coast were also anxious to encourage a development which promised substantial additions to their emoluments, provided always some method could be devised of keeping the barbarians under proper control. A *modus vivendi* was at length discovered at Canton. About the middle of the century—the exact date is uncertain—the Portuguese were allowed to lease a settlement at Macao, a tiny peninsula in the Canton estuary, connected with the mainland by a narrow neck of land. A wall was later built across this neck of land and within this area the Portuguese were allowed to manage their own affairs with all the paraphernalia of a Governor, Bishop and Chief Justice. The Chinese authorities, however, never failed to emphasise the subordination of the Portuguese administration and of individual Portuguese to Chinese sovereignty and they exercised jurisdiction in and over Macao whenever the occasion seemed to make it desirable that they should do so. The Portuguese were only able to maintain their position by complete submission as well as by liberal gifts to high officials in addition to the regular rent

paid for the land on which the settlement was situated. Any attempt to seize Macao as they had seized Malacca, or to use force to engross the carrying trade on the analogy of the Indian Ocean would certainly have led to expulsion and massacre.

The central feature of the peculiar system established at Macao in the sixteenth century was that normally the Portuguese were left to manage their own affairs without interference or supervision. It was the forerunner of the equally-peculiar systems of the factories at Canton in the eighteenth and nineteenth centuries, and of the treaty ports with their settlements and concessions and extraterritorial jurisdiction in the nineteenth and twentieth centuries. These arrangements were not imposed by Europe on China, but were the natural outcome of the Chinese doctrine of responsibility. If foreigners wished to live and trade in China the Chinese found it less troublesome if they formed a separate community of their own under a headman of their own choosing who could be held responsible for the behaviour of the whole community. This was more convenient than placing each individual separately under the control and jurisdiction of the Chinese officials.

The Portuguese settlement at Macao was a solution entirely in line with Chinese tradition and Chinese ways of thought. Chinese histories and the reports of travellers both contain accounts of similar foreign settlements many centuries before Europeans approached China from the sea. Maritime trade with India and the Persian Gulf grew up in the early centuries of the Christian era and by the beginning of the seventh century there were considerable numbers of Arabs and Persians residing in foreign settlements at Canton, Yangchou and Ch'uanchou (known to the Arabs and to Marco Polo as Zaytun). From Arab and Chinese sources we learn that, at each of these settlements, one of the Moslems was appointed by the Chinese authorities to maintain order among his co-religionists and administer the law of Islam. Chu Yu, a Chinese historian, writing in the twelfth century described the foreign quarter at Canton where all the people from beyond the seas resided:

A foreign headman is appointed over them and he has charge of all public matters connected with them. Where a foreigner commits an offence anywhere he is sent to Canton and if the charge is proved he is sent to the foreign quarter. There he is fastened to a ladder and is whipped with a rattan from head to foot, three blows of the rattan being reckoned equal to one of the heavy bamboo. Offences entailing banishment or more severe punishment are carried out by the department magistrate at Canton.<sup>15</sup>

This foreign quarter had ceased to exist when the Portuguese appeared on the scene in the sixteenth century, but the settlement at Macao became in time the quarter where all the people from beyond the seas were allowed to reside. This, however, was not until the eighteenth century. During the sixteenth and seventeenth centuries Macao remained the sole preserve of the Portuguese, a base from which they monopolised the foreign trade of China to the exclusion of other European powers. It is remarkable that they maintained their monopoly so long for Portugal's century of greatness drew to a close at the end of the sixteenth century. The union of the crowns of Spain and Portugal under Philip II in 1580 marked the beginning of Portugal's decline. The destruction of the Armada in 1588 shattered the naval power of Portugal as well as that of Spain and Spanish bigotry completed her economic ruin. Philip II, desiring to aim a blow at Holland, closed the port of Lisbon to the trade of Protestant powers. The Dutch, by superior skill and enterprise, had secured a practical monopoly of the carrying trade of Europe. Hitherto they had been content to collect the produce of the east at Lisbon and distribute it over Europe, but when they were excluded from Lisbon they immediately decided to send Dutch vessels round the Cape to carry the pepper direct to Europe. Before the close of the century Amsterdam displaced Lisbon as the mart for eastern produce.

The Dutch East India Company was founded in 1601 and from that date the downfall of Portugal was swift and catastrophic. Everywhere they were ousted by the Dutch except only at Macao. Dutch vessels appeared at Canton in 1604



and in 1607, but the Portuguese had gained the ear of the Chinese officials and the Dutch were not allowed to trade. In 1622 they attacked Macao and were driven off with heavy losses. They succeeded in establishing themselves in Formosa which was then a no-man's-land, but they were driven out by the Chinese in 1661, and the memory of their violence at Macao prevented them from gaining a footing in China till a much later date when they were eventually permitted to come in under the factory system at Canton. They inflicted considerable injury, however, on the Portuguese trade by intercepting their vessels at sea and they ousted the Portuguese completely from Japan.

The British, like the Dutch, sailed round the Cape in search of pepper, but until the beginning of the eighteenth century their efforts compared with those of the Dutch were timid and unenterprising. They waited until the Dutch had put up the price of pepper at Amsterdam from 3s. to 8s. a pound and then founded the East India Company, but this was a puny affair compared with the Dutch East India Company which possessed the powers and resources of a national state. The English company was discouraged by the failures of the Dutch at Canton, and during the first sixty years of the seventeenth century only two attempts were made to trade at Canton, neither of which were successful. In 1612 Captain John Saris opened a factory in Japan, but through bad judgment and lack of enterprise the venture languished, and after ten years the factory was withdrawn. The first English venture in China was an even more discreditable failure. In 1635 Captain Weddell was sent from Surat to open trade at Canton. Through the intrigues of the Portuguese he met with every kind of obstruction, and after months of exasperating evasions and delays he endeavoured to force his way up the river past the forts to the anchorage for merchant vessels. It is a tribute to the pacific temper of the Chinese that he was allowed to make amends for this outrageous conduct and to dispose of his cargo. A long and involved story is summarised by Morse in the following words :

Weddell was driven to eat humble pie ; he acknowledged his wrong doing, undertook never to repeat his offence and on those terms was allowed to complete his cargo for the present voyage.<sup>16</sup>

When the accounts of the venture were finally made up the trading showed a loss and Weddell's violence was one of the reasons for England's long failure to obtain a share in the China trade.

Not till after 1660 did the East India Company turn its attention to China in earnest. During the last forty years of the century several attempts were made to trade at various ports along the coast, but the time was singularly unpropitious for such ventures. The last Emperor of the Ming Dynasty committed suicide in 1644 and many years elapsed before the new Manchu Dynasty, which then ascended the Dragon Throne at Peking, succeeded in establishing its authority in the coastal region of south China. The authorities in control at the various places which the British vessels entered were no longer the scholar-administrators of the Chinese tradition but Manchu military officials—rude, unlettered and flushed with conquest. In nearly every case their extortion, grasping at monopoly and unreasoning imposition of petty restrictions made trading impossible.

During these years the East India Company never lost sight of Canton, but six separate ventures made at various times at that port all failed because, as the supercargoes reported, it was impossible to obtain a document "from the supreme person or authority at Canton for the security of our ships, estates and servants"<sup>17</sup> At last at the very end of the century a change came over the spirit of the scene. Yule has described "the curious process which seems always to have followed the intrusion of Tartar conquerors into China. . . . The intruders themselves adopted Chinese manners, ceremonies, literature and civilisation and gradually lost their energy and warlike character"<sup>18</sup> The Manchus, as they gradually succumbed to the influence of Chinese civilisation, began to realise that it was more profitable to encourage foreign trade than to kill it with unreasoning exactions. When

the East India Company's ship, the *Macclesfield*, visited Canton in 1699 her supercargo, Mr. Douglas, "was made welcome and assured of every facility for trade." Macao had by this time fallen into the extremity of decay:

This city, wrote Mr. Douglas, is att present miserable poor; and altho ye Portugese have ye name of ye Government, yett ye Chinese have ye Chiefe Power, and all ye Customes of ye Port, excepting some small priviledges yt ye Portugese Ships injoy.<sup>19</sup>

The Portuguese no longer had either the will or the power to obstruct and after much hard bargaining and negotiation Mr. Douglas at length succeeded in securing satisfactory conditions for the sale of his cargo and the purchase of a return lading. The *Macclesfield* arrived back in Portsmouth in July 1701 after an absence of more than two years "with a full and rich cargo."

## CHAPTER THREE

### *The Factories at Canton*

*Voyage of the "Macclesfield" a notable landmark—for two centuries other nations follow England's lead—the President and Select Committee—the East India Company's monopoly and devolution of responsibility—the supercargo—factory established at Canton 1715—Hoppo signs convention granting privileges—the germ of extraterritoriality—lucrative trade at Canton—privileges denied at other ports—proceedings at Ningpo in 1736—difficulties of supercargoes—political privileges maintained but economic restrictions tightened—enormous sums abstracted from profits but no direct contact between foreigners and officials—foreign trade conducted only through Hong merchants—the security merchant—in happy position but liable to be held responsible—foreign trader in grip of monopoly but makes large profits—happy relations with Hong merchants—their high reputation—arrogance of Chinese officials—no ladies allowed in factories—the English factory a gilded cage—irksome and humiliating restrictions—Lord Macartney's protests brushed aside—restrictions tightened—supercargoes' relations with high officials cease—life in the factories pleasant in spite of official arrogance—the Hong merchants and the "Canton Regatta Club"—Select Committee replaced by Royal Officer in 1834—difficulties caused by devolution of responsibility—crews of sailing ships—danger of brawls and homicide cases—Taipan held responsible—execution of innocent men—Chinese law not barbarous but not fairly applied—rights of individual conflict with Chinese conception of sense of moral responsibility—Chinese conception dangerous in times*

of disorder—the Lady Hughes case in 1784—innocent gunner executed—similar case in 1839 causes opium war—Lord Macartney's embassy to Peking—"that one man should suffer for another's crime"—cession of small island suggested—representations brushed aside—K'ang Hsi and Ch'ien Lung—sudden collapse after death of Ch'ien Lung—war raging all over the world—Chinese fear British imperialism—British proposal to occupy Macao in 1802—Select Committee protest—"a Superior and Commanding navy"—Portuguese memorialise the Emperor—their "venomous insinuations"—peace fortunately breaks out—British again send force from India in 1808—Macao occupied against protests of Chinese and Portuguese—menacing situation—troops ignominiously withdrawn—President and Select Committee dismissed—foreign warships in Chinese waters—H M S Doris—Lord Amherst sent as Ambassador in 1816—dismissed without audience—conditions deteriorate—American sailor Terranova executed 1821—H M S Topaze homicide case—demand for surrender of "two murderers"—East India Company's monopoly increasingly difficult to maintain—American competition—Lord Napier appointed Chief Superintendent in 1834—blunders of Lord Palmerston and Lord Napier—crisis at Canton—death of Lord Napier—"silence and quiescence"—matters drift from bad to worse—Commissioner Lin sent to root out opium trade in 1839—Captain Elliot surrenders 20,000 chests of opium—forbids British merchants to sign opium bond—deadlock ensues but trade is gradually resumed—homicide of Lin Wei-hsi—demand for surrender of "murderer" leads to hostilities—beginning of Opium War.

The voyage of the "Macclesfield" is a notable landmark in the history of China's relations with the west, and the name of her supercargo—Mr. Douglas—should be remembered with honour, for this voyage was the beginning of British trade with China, and the trail thus blazed by England was soon followed by other nations. The East India Company having gained a footing in the China trade quickly jumped into the leading position at Canton, and in a short time the British trade exceeded that of all other nations put together. For more than two centuries other nations were content to leave to England the task of fighting the battle of western intercourse and to profit by the arrangements which she made. Up to 1834 the British trade was a monopoly of the East India Company and the management of the Company's affairs at Canton, both commercial and diplomatic, was entrusted to a small body known as the President and Select Committee chosen from the supercargoes of the Company's ships. The monopoly fitted in very conveniently with the Chinese doctrine of responsibility, which required that a community of foreigners should have a Chief or Taipan who could be held responsible for their conduct.

In the days of the great sailing ships the supercargo was a very important person. A ship trading to the East Indies, a term which in those days covered both India and the Far East, went exploring to little known or unknown regions, and it was impossible to determine beforehand the length or duration of the voyage. She might be away from England for a year or two years or even longer. She was loaded with a cargo of merchandise, which was called the "stock," and if she was going to China it was necessary also to carry bullion. As there were no banks of foreign exchange or foreign correspondents in the countries to be visited, the supercargo acted as the owner's representative and was in control of the whole enterprise. It was his business to sell the "stock" and exchange the bullion for local currency and with the proceeds of these transactions buy an "investment" of goods which could be sold at a profit when the ship returned to England. The supercargo must therefore possess both experience and sound judgment and in addition to these commercial qualifications he also needed diplomatic abilities of a high order. There were no commercial treaties, no consuls and no ambassadors. The supercargo's first duty, therefore, when his ship arrived in port was to seek out the highest local official—the Viceroy or the Governor—and obtain from him a guarantee of favourable treatment and protection against extortion, without which it would have been useless to begin the lengthy process of bargaining with the local merchants.

After Mr. Douglas' success in 1700, vessels of the East India Company visited Canton each year, and by 1715, almost exactly two hundred years after the first arrival of the Portuguese, the prospects seemed so favourable that the Company decided to place its China trade upon a regular footing and to establish a permanent factory<sup>20</sup> at Canton. Three vessels arrived in 1716 and the proceedings of their supercargoes provide the first recorded instance of a formal convention with the Hoppo.<sup>21</sup> In their report to the Court in London, the supercargoes describe the welcome they received from both merchants and Hoppo. The merchants "engaged for

their safety ; the Hoppo also pressing his friendship and all the privileges any English ship ever previously had "<sup>22</sup> The Hoppo signed a convention which provided that the supercargoes should have freedom to trade with all without restriction, to engage and dismiss what Chinese servants they pleased and to buy provisions and other necessaries. In addition to these economic privileges other privileges of a political character were also granted, and these contain the germ of the extraterritorial régime established by the "unequal treaties" more than a century later. It was agreed, for example, that ships' boats with colours flying, supercargoes' escritoirs and chests and seamen's pockets should be exempt from search at Customs barriers, and—most important of all—that the supercargoes should have jurisdiction over their own servants.

From that time onward a highly lucrative trade was carried on at Canton, but it was not until the middle of the nineteenth century that other ports were opened to foreign trade. The East India Company's vessels came every season in increasing numbers to Canton, and it became the established practice for the supercargoes to wait upon the Hoppo and obtain a confirmation of all the usual privileges before they began trading ; but attempts to obtain similar privileges at other ports were unsuccessful, and where the local authorities were not willing to accord treatment similar to that granted at Canton it was useless to try to trade. In 1736, for example, a vessel visited Ningpo where the highest authority was a military official, the Titu. The supercargoes were summoned to an audience and the first battle they had to fight related to the manner of their reception. The Titu received them "with extraordinary Pomp & Grandeur, but very little Respect or Civility ; for he refused us the Priviledge of sitting in his Presence, tho' he promised it before we would enter ; adding withall, that if our Sovereign were there he must stand as well as we."

The Titu referred them to a civil official—the Taotai—and the supercargoes had to insist on being allowed to proceed to the audience in sedan chairs. They explained in their

report to the Company that it would be fatal if the foreigner once submitted to being treated as if he belonged to an inferior race :

“ If once we submitted to be treated with as little Ceremony as the Mandarins use towards the Merchants of their own Country, whom they place in a very low and contemptible Rank ; neither we nor those who may follow us would ever Recover such a Step, but probably as Foreigners be sunk still lower, & what is far worse, we should thereby in a great measure give up that right which we claim, of making our own terms with the Mandarins, and of contesting with them any new or unjust Impositions with which they may endeavour to load our Commerce.”

After this preliminary skirmish negotiations began. The supercargoes refused the Taotai's demand that they should deliver up their sails, rudder and arms, and the Taotai refused to grant the schedule of conditions in twenty-one articles presented by the supercargoes in spite of their argument that these were the privileges which they actually enjoyed at Canton ; eventually after many fruitless months the vessel sailed away to Canton.

“ A great society is a society in which the men of business think greatly of their functions.”<sup>23</sup> One of the chief differences, however, between the type of society evolved in the great land mass of China and that which developed in the countries round the Mediterranean is that in the former the merchant is held in low esteem and exercises little influence. As a result of China's changed environment in the twentieth century her view of the merchant's function is now beginning to approximate to that of Europe. In the eighteenth century, however, the low place the merchant occupied in the Chinese social order was a formidable obstacle to the establishment of commercial relations on a basis satisfactory to both sides. The East India Company's supercargoes, who were men of high character and qualifications, succeeded in overcoming to some extent

at any rate the difficulties of their position, but the high officers of the Chinese Government could never reconcile themselves to the idea that the petty affairs of commerce could be a proper subject for negotiation between sovereign states. The supercargoes had little difficulty in maintaining privileges of a political character which constituted a sort of embryonic extraterritoriality, because these fitted in with the Chinese doctrine of responsibility, but as regards economic privileges they were constantly engaged in fighting a losing battle. As the trade in Canton increased in value and volume and the number of foreigners permanently residing in Canton grew larger the net was gradually drawn tighter until eventually the foreign traders found themselves caught in the meshes of a system ingeniously devised so that the officials should have no direct dealings with the foreigner and should not be bothered with his affairs at all, while at the same time enormous sums were being subtracted from the profits of his trade for the benefit of the Court at Peking and of the whole official hierarchy at Canton from the Viceroy and Hoppo downwards. Generally speaking the foreign merchant paid nothing to the officials direct and had no means of knowing how much was being mulcted from the profits of his trade. He could deal only with a guild of merchants, usually thirteen in number, known as the Co-hong or Hong merchants, who enjoyed a monopoly of the foreign trade. The members of the Co-hong satisfied all the demands of the officials, regular and irregular, legal and illegal, and recouped themselves out of the prices which the foreigner was made to pay for the tea and the silk for which the English market craved. The sailing ships arrived with the monsoon in October and the trading season then began. The foreign merchant selected one of the Hong merchants to act as Security Merchant for the ship. He could sell the cargo and buy a return lading only through the Security Merchant who fixed all the prices both for buying and selling. The Security Merchant was thus completely master of the situation, but his position was not quite so happy as this sounds, for in addition to paying enormous sums in bribes and levies he was held personally



responsible for every act of the foreign traders or their ships or their crews from the purchase of a basket of fruit to a homicide, and this in practice might mean being ruined, tortured, banished or beheaded for some act which he could not have foreseen or prevented. The foreign trader had no means of discovering what fair market prices were and could not obtain competitive bids from merchants outside the Co-hong. He was under no compulsion either to buy or sell, but if dissatisfied with the prices offered his only remedy was to send his ship away without a lading. His position, however, was not quite so unhappy as this sounds. The Co-hong, with whom alone he was allowed to deal, comprised the most important and substantial merchants in the Empire, and, in spite of the contempt in which the merchant is held, the Chinese, like the British, are before all else a race of merchants. Throughout the factory period at Canton, which lasted nearly a century and a half, the Hong merchants enjoyed a reputation for integrity, high sense of honour and understanding of the principles of commerce which has no parallel in any other part of the world ; and one of the really delightful features of Europe's impact on the East is the relations of mutual trust, esteem and affection between the merchants of the Co-hong and the supercargoes of the East India Company. The foreign merchant suffered no loss by doing all his buying and selling through the Co-hong, and the proof of this is furnished by the fact that the trade, despite the peculiar conditions under which it was conducted, was very lucrative. The foreign merchant rapidly accumulated a fortune at Canton, and it was this that made him consent to endure the humiliations which the Chinese officials, in their arrogance, delighted to heap upon all foreigners.

During the trading season which, according to the monsoon, lasted roughly from October to March, the foreign merchant was allowed to live in the factories at Canton, but when the last of the ships had sailed they all left in a body and spent the summer in the Portuguese settlement at Macao. The factories were a row of buildings on the waterfront rented from the Hong merchants. They covered an area 1100 feet

by 700 feet, with a tiny open space in front. No women were allowed, and as late as 1830 the Viceroy threatened to stop the trade because three English ladies ventured to come up from Macao to visit the factories. The accommodation was palatial:

“The English factory was the most imposing and luxurious of all the factories and the English Company was noted for its scale of living and the princely character of its hospitality. The great outer gateway of the factory opened on to a broad paved walk leading to a wide flight of steps. At the top of the steps was a verandah giving access to the Library where the guests assembled for dinner. Folding doors opened into a magnificent Dining Room lit by cut glass chandeliers hanging from the ceiling and silver candelabra on the table, and usually about thirty persons sat down to an old-fashioned English dinner served with all the pomp and ceremony of the eighteenth century.”<sup>24</sup>

It was, however, a gilded cage in which the foreign merchants lived under conditions which the Chinese officials contrived to make both irksome and humiliating. Regulations for the control of foreigners were brought down to the factories at irregular intervals and read aloud in English to show that they were not a dead letter. They were couched in deliberately insulting language. For example.

“In the Hong merchants’ factories where foreigners live let them be under the restraint and control of the Hong merchants. The purchase of goods by them must pass through the hands of a Hong merchant. Hereafter the foreign merchant dwelling in the Hong merchants’ factories must not be allowed to presume of their own accord to go out and in lest they should trade and carry on clandestine transactions with traitorous natives.”

The only ground available for exercise was the tiny space, 500 feet by 300 feet, in front of the factories. The foreigners were forbidden to row for pleasure on the river, but they

might visit some flower gardens a mile away across the river, but only in small parties in charge of a petty official who was held responsible for their good behaviour. They were not allowed to ride in sedan chairs—a gross mark of contempt—and, despite the convention of 1716, they were not allowed to hire Chinese servants. This latter rule was not normally enforced, but the withdrawal of all servants was an easy way of putting pressure on the foreign community. This formidable weapon was held *in terrorem* over them, and was actually used in times of crisis.

Lord Macartney protested against the humiliations to which the British community were subjected. A communication which he sent to the Viceroy at Canton in 1793 read in part as follows:

The English merchants have hitherto been confined while at Canton to the bounds of their own Factory, and a small space beyond it, without being suffered to go further either for the benefit of the air, health or exercise, or being suffered to enter the city without special permission as if they were a barbarous or mischievous nation, a circumstance which is not only highly inconvenient to them and prejudicial to their health, as the English are always much used to exercise and ride on horseback, but it is also highly disgraceful to the Nation and its Sovereign.

No attention was paid to these representations. Throughout the factory period the foreigners were not allowed to employ *literati* to teach them the Chinese language and any Chinese who served them in this capacity was obliged to live permanently in the factory in order to escape arrest and punishment. Cases actually occurred of Chinese being beheaded whose only crime was that they had composed a memorial in Chinese for the supercargoes to present to the high authorities in Peking. Gradually the supercargoes lost their right of direct access to the officials. During the first few decades friendly personal relations had been maintained with all the officials from the Viceroy and Hoppo downward, but as the exactions on their trade increased and complaints

became more insistent, the rule that all representations must be made through the Hong merchants was rigidly enforced and the Hong merchants, through the doctrine of responsibility, were made the instrument by which these arbitrary restrictions were imposed on the foreigners. If one were to judge by official documents alone life in the Canton factories might seem to have been a long series of almost intolerable humiliations. Fortunately, however, the relations between the merchants on either side were of the happiest description and those foreigners who survived to write their reminiscences concur in describing an existence which, looked at through the mists of time, has taken on an almost idyllic appearance. Hunter, the author of *The Fan Kwae at Canton*, speaks in affectionate terms of the Hong merchants. He describes their alarm when they heard that Ham Tak (Hunter) and the other young chin-te-le-mun proposed to establish a "Canton Regatta Club" for rowing and sailing on the river. This, of course, would have been a breach of the regulations for which the Hong merchants might have been made to suffer severely in their persons and their pockets. They accordingly addressed the following letter to Mr. Hunter :

Ham Tak, venerable old gentleman,

We beg respectfully to inform you that we have heard of the intention of our respected elder brother and other chin-te-le-mun to race boats on the river. We know not if this is true, but heretofore it has not been the custom. Should the authorities hear of this, we your younger brothers would be reproved, not mildly, for permitting you to act so indiscreetly. On the river boats are mysteriously abundant ; everywhere they congregate in vast numbers ; like a stream they advance and retire unceasingly. Thus the chances of contact are many, so are accidents even to the breaking of one another's boats, to the injury of men's bodies, while more serious consequences might ensue.

We therefore beseech our worthy senior to make known to the other chin-te-le-mun that they would do well to

refrain from contesting the speed of their boats on the river, so that after troubles may not accumulate. Then all will be well. Daily may your prosperity increase, without difference.

(Signed)

Houqua, Mouqua, Pwankeiqua  
and others.

The supercargoes held no commission from the Crown. They were not officers of the Government but merely employees of the East India Company, but when the Company's monopoly was terminated in 1834 and the Select Committee of supercargoes was superseded by a High Officer deputed by and representing the British Government, the contemptuous attitude which the Chinese continued to maintain was one of the reasons why the differences between the two countries could not be adjusted by peaceful means. In view of the enormous profits of the trade the supercargoes remained quiescent under the humiliations inflicted on the foreign community, but a much more serious difficulty was the responsibility thrust upon them by the Chinese system for the good behaviour of bodies of men over whom they had no real control. Sailing ships carried large crews, and during the trading season there might be as many as two thousand sailors at Whampoa, a few miles down the river, waiting for the monsoon to sail home again. After many months at sea they were naturally eager for a spree ashore, and it was difficult to prevent the land sharks, who lie in wait for sailors at every seaport in the world, from selling them vile poison in lieu of liquor. This sometimes led to brawls and quarrels, but there were never any serious difficulties unless a case of homicide occurred. Such cases happily were very rare, but there was the ever-present danger that in the course of some drunken affray with Chinese gangs ashore a Chinese might lose his life, and that the President of the Select Committee—the Chief or Taipan, as the Chinese called him—might be seized and held responsible in his own person until someone—whether guilty or not—was surrendered for execution.

These occasional executions of innocent men have given rise to the belief that extraterritoriality was imposed on China because Chinese law was so barbarous that civilised people could not be expected to submit to it ; but, in fact, during the factory period in Canton the complaint was not that Chinese law was barbarous but that it was not fairly applied to foreigners who were not even allowed to make themselves acquainted with its provisions. It is now generally recognised that the Chinese Penal Code—the Ta Ch'ing Lu Li—though it was based upon different principles to western law, was a wonderfully complete and well-thought-out code, and was indeed less savage than the criminal law of contemporary England.<sup>25</sup> All western thought, however, is permeated with the conviction of the supreme importance of the individual. The abolition of capital punishment, for example, is urged on the ground that society owes a duty to the individual, and that if a penalty is inflicted it should be such as to promote his chance of amendment. “The most deeply-rooted defect in the administration of justice in a state (says the writer of a letter in *The Times*) is the tendency to treat the individual as a means to an end in order to preserve an existing order in society.” The Chinese, on the other hand, regard this western conception of the rights of the individual as striking at the root of the sense of moral responsibility which alone makes human society possible. In China, as in Russia, if the interests of society are at stake the individual is sacrificed without a moment's hesitation.

When these two opposite conceptions of the social order came into conflict in the late eighteenth and early nineteenth centuries the proponents of each were inclined to deny the title of civilised to the other. The Chinese conception had its dangers, for when the administration was weak and the state had fallen into disorder the sacrifice of individuals could be, and was, carried to such lengths as to involve the state in those very disasters of civil disturbance and foreign war that it was intended to avert. The attempt to apply the doctrine of *raison d'Etat* to foreigners was one of the chief causes of the war in 1839. The Chinese view, for which there was some

justification, was that foreigners were violent and unruly people who could only be kept in safe subjection by an impressive display of majesty and power. Therefore, if in the course of an affray between Chinese and foreigners a Chinese should be killed no attempt was made to apply the provisions of the penal code. Reasons of state demanded that some foreigner—no matter who—should be surrendered for execution. Up to that point the Chinese authorities disclaimed jurisdiction. They did not themselves enquire into the circumstances with a view to discovering the criminal and determining the degree of his guilt. All that was left to the Chief of the nation concerned, and if he could not produce the guilty party for execution then his own life might pay the forfeit instead.

The case of the *Lady Hughes* in 1784, which brought matters to a head so far as the British were concerned, is a good illustration of the difficulties caused by the Chinese conception of the proper way to control barbarians. On arriving at Whampoa, the anchorage ten miles below Canton, the *Lady Hughes*, a British vessel trading between Canton and Bombay, fired the customary salute. The gunner did not know that a lighter was lying alongside and two Chinese were killed by the discharge. It was, of course, a pure accident, but the gunner, guessing what would happen to him, absconded and went into hiding. Discussions between the Select Committee and the Hong merchants seemed to be making satisfactory progress when the Chinese officials succeeded in securing a hostage in the person of Mr. Smith, the supercargo of the *Lady Hughes*. He was decoyed out of the factory by a false message, seized and conveyed into the city under a guard of soldiers with drawn swords. The factories were then beset with soldiers, the trade was stopped, all communications were cut off and the Viceroy sent a message which in effect threatened war if the gunner was not surrendered. The Select Committee, yielding to intimidation, surrendered the gunner who was strangled a few weeks later without, so far as it is known, any form of trial whatever.<sup>28</sup> The execution was designed to strike terror into the hearts of

the foreign community, but the British never again surrendered one of their people to the jurisdiction of the Chinese courts. Their refusal in 1839 to hand over an innocent man for execution was the immediate—though not, of course, by any means the only—cause of the war that is commonly known as the Opium War.

In consequence of the *Lady Hughes* case the British Government decided to send an ambassador to Peking to try to obtain some alleviation of the conditions under which the trade was conducted. The first ambassador appointed in 1787 died before he could leave England. The choice then fell on Lord Macartney who, as is generally known, carried out his mission in 1793 with great splendour and éclat, but failed to secure one iota of what he had been instructed to try to obtain. The difficulties and grievances of the trading community in Canton appear very clearly from the preliminary discussions and the instructions given to the ambassador. First and foremost was the difficulty of disciplining the crews of fleets of British ships in Chinese ports. The President and the Select Committee had neither the legal powers nor the administrative machinery to perform this task. The Chinese authorities on the other hand made no provision for exercising jurisdiction over the sailors but merely held the President—the Taipan—personally responsible for their behaviour. This was felt to be an intolerable position, and the point recurs again and again in the documents relating to Lord Macartney's mission "that one man should not suffer for another's crime."

"We have no view but commerce to be protected by the Chinese Government, subject to its laws and regulations," said the British Government, but the supercargoes were "denied access to the tribunals and a fair execution of the law. They were kept in an arbitrary and cruel state of depression." They asked for a fair access to markets, a secure place of residence where their lives and property would be safe, punishment for all who transgress the law and "that one man shall not suffer for another's crime." All these difficulties would be resolved if the Chinese Government



would consent to grant a small tract of ground—perhaps a small island—which the supercargoes could use as a depot for storing unsold goods ; if the Chinese Government would also grant a power to regulate the police and exercise jurisdiction it would make it possible to “ punish the disorders of our people which the Company’s supercargoes in their limited sphere of action must see committed with impunity ” The Chinese residents might remain under Chinese jurisdiction provided only British subjects were exempted and the British Chief was not held responsible for another’s crime The Chinese Government, however, refused to admit, or failed to realise, that there was any problem to discuss The solution which the British Government sought in 1787 was eventually achieved by the cession of Hongkong more than fifty years later, but all Lord Macartney’s efforts to broach the subject of his Embassy with the Emperor Ch’ien Lung or his Ministers were politely brushed aside, and after his departure the net was drawn still tighter, and the procedure under which the foreign trade was conducted was made even more regular and inflexible.

Up to the end of the eighteenth century China under the Manchu Dynasty was a great and powerful empire, comparable in wealth, culture and extent of territory with the Roman Empire in the ancient world. After the fall of the native dynasty—the Ming—in 1644, the new dynasty produced two great Emperors, K’ang Hsi and Ch’ien Lung, who each reigned for sixty years. Ch’ien Lung abdicated in 1796 for the characteristic Chinese reason that it would have been a breach of filial piety to continue reigning longer than his grandfather, K’ang Hsi. He died three years later and the dynasty then decayed until it came to an ignominious end in the Chinese Revolution of 1912. No Emperor after Ch’ien Lung possessed vigour, courage or statesmanship. His grandson, Chia Ching, who succeeded him, was weak and licentious, and his Court and his Ministers became a byword for corruption and misgovernment. Piracy became endemic all along the coast and rebellions broke out in nearly every province culminating under his successor in the frightful

Taiping rebellion which raged for sixteen years and devastated two thirds of China. Unfortunately for China, the problems connoted by the phrase "the impact of the west" came flooding in upon her just when she was at her weakest, and least able to cope with them.

For about twenty years after the date of the Macartney Mission—from 1793 to 1815—war was raging intermittently all over the world, and the repercussions in Canton were such as to confirm the Chinese in their belief that Europeans generally were turbulent and difficult to control, and that the imperialistic ambitions of Great Britain in particular were a real danger to China. They had heard from Portuguese and others alarming accounts of British conquests in India, and the explanation Lord Macartney was instructed to offer, that we had acquired our empire in India without intending it, but merely as a consequence of measures of self-defence against revolted Nabobs, could not have sounded very convincing. The fears Lord Macartney had tried to dispel were revived in full force in 1802 by an ill-considered proposal to send British troops to Macao to help the Portuguese defend the place against the French. Macao belonged to China, not to Portugal, and the supercargoes knew that a British occupation would infuriate the Chinese who would be certain to hold them personally responsible with disastrous consequences to their trade. They stated their views in a memorandum which is still worth reading as a model of wisdom and sound sense. They deprecated "the adoption of any measure which may give occasion for umbrage to the Chinese and tend to confirm the unfavourable sentiments they already entertain relative to the restless and intriguing temper of the English nation." Lord Macartney had thought of Macao as a suitable place for the depot which he had suggested should be placed under British control, and if we occupied Macao it would be difficult to convince the Chinese of the purity of our intentions. Moreover, Macao was an open roadstead without a harbour, and the trade would still have to be conducted at Canton subject to the same humiliating conditions as at present. In any case, therefore, it was useless for the purpose envisaged

by Lord Macartney. On the other hand, even if the French seized Macao they could do no harm to the China trade so long as England possessed "a Superior and Commanding navy."<sup>27</sup>

The Select Committee's memorandum reached India too late to stop the despatch of the force from Bengal, but when the force reached Canton the Committee persuaded the Commanding Officer to keep his ships out of sight while they began negotiations. Their idea was that if the Portuguese Governor could be induced to say that he would like the troops to land it might be possible to get the Viceroy of Kwangtung to agree. The Portuguese, however, were as suspicious as the Chinese. They represented the action of the British to the Viceroy "in the worst possible light," while two Portuguese priests, who were at the head of the Imperial College of Mathematics at Peking, presented a memorial to the Emperor full of what the Select Committee described as "venemous insinuations." Fortunately the supercargoes were saved from an embarrassing and dangerous position by the arrival of a vessel with the news that peace had been restored in Europe. The British force returned to India and the affair blew over, but by one of those incredible blunders of which even the wisest governments are occasionally guilty, exactly the same folly was repeated six years later.

In 1808 a vague report about French intentions reached Canton, and Mr. Roberts, the new President of the Select Committee, immediately wrote to the Governor-General in India urging that a British force should be sent to Macao to forestall the French. The Chinese, he said, were so weak and corrupt and so anxious to get help in suppressing piracy that they "would most cheerfully see Macao in the possession of the English." The authorities in India, ignoring, or overlooking the experience of 1802, accepted this advice, and sent a force under Admiral Drury which landed at Macao in spite of the strong protests of both Portuguese and Chinese. The Viceroy refused to meet the Admiral or recognise him in any way, but dealt with the situation in the usual way by striking at the supercargoes and their trade. The trade was stopped

and preparations were made to attack the troops and the merchant shipping anchored at Whampoa. The situation became so menacing that the Commanding Officer judged it prudent to give way, and the troops after three months' occupation, were ignominiously withdrawn and shipped back to India. Admiral Drury was indignant at being led into a false position by Mr Roberts, and the latter's violent policy, particularly his proposal that Canton should be bombarded, drew strong protests from the Commanders of the Indiamen at Whampoa. The Court of Directors in London dismissed the whole committee and appointed a new one in its place, but great harm had been done to the British position.

Difficulties had sometimes been caused in the past by the arrival of a British warship in Chinese waters. The Chinese officials refused to recognise or deal with any national authority and insisted on treating men-of-war as if they were on exactly the same footing as merchant vessels. The supercargoes protested that they had no power to issue orders to the Royal Navy, but the Viceroy's success in securing the withdrawal of Admiral Drury's force convinced him that this was a mere subterfuge. In a later dispute he referred to the Macao precedent and used the argument that the function of men-of-war was to protect and convoy merchandise. "If it be not on account of trade why do the ships of war come hither without cause. The said Chief in making the men-of-war and the trade two concerns talks very absurdly." In the eighteenth century the visit of a man-of-war was a rare event, but during the Napoleonic wars the visits of men-of-war—mostly British—became more frequent, and the disputes more serious. In addition to the two attempts on Macao, there were cases of Americans selling prize cargo at Whampoa, and of British warships bringing captured prizes into Whampoa. In 1814 the cruiser *Doris* captured an American ship which had sailed from Canton, and brought her back into the river, and on another occasion her boats chased an American vessel up the river and captured her at Whampoa, but the sailors on a number of American merchantmen then organised an attack and recaptured the prize together with four British

marines who formed part of the prize crew. The Viceroy was greatly exasperated at these affronts to Chinese sovereignty. He sent peremptory orders to the supercargoes to send the *Doris* away—"if English and Americans have any petty quarrels," he said, "let them go to their own country and settle them"—and in order to enforce his orders the trade was stopped, and many of the privileges which the English had enjoyed for the last hundred years were withdrawn.

Matters were patched up, but the British Government, who highly disapproved of the *Doris*' proceedings, reached the conclusion that in order to resolve the difficulties at Canton, another attempt should be made to enter into direct diplomatic relations with the Court at Peking. This was an unfortunate decision taken in Whitehall without full knowledge of the local circumstances and without adequate consultation and preparation. Lord Amherst was sent as Special Ambassador to China in 1816, but the Empire was in such a disturbed and rebellious state that there was little hope of his succeeding where Lord Macartney had failed in 1793. After being treated with great discourtesy he was dismissed without being allowed to see the Emperor, and conditions at Canton grew worse rather than better.

The two countries drifted into war in 1839, but war might easily have broken out at almost any time during the intervening years. In 1821 intense indignation was aroused by the execution of an American sailor named Terranova after a trial which was in fact a complete denial of justice. It was alleged that a jar thrown by him had caused a woman to fall overboard and be drowned. It may have been an accident, or it may have been manslaughter—it certainly was not murder—but the facts were never established because the Chinese magistrate who came on board the American ship to try the case refused to allow the Chinese evidence to be interpreted or to hear any evidence for the defence. The man was nevertheless surrendered, and after a further trial which, contrary to the provisions of the penal code, was held in secret, the sailor was publicly strangled. A few weeks later

another homicide occurred in which a party of seamen from the British cruiser, H.M.S. *Topaze*, was involved. The men had been sent ashore for water, and a fight began when the officer in charge of the party discovered and destroyed two jars of liquor which the Chinese had buried in the sand for the benefit of the sailors. The party was attacked by a large mob of Chinese, and in the course of the affray fourteen seamen were injured—six seriously—and two Chinese were killed. The Viceroy immediately stopped the trade and demanded that “two foreign murderers” should be surrendered. His language became so threatening that the Select Committee embarked the treasure and the staff of the factory on the Company’s ships and took the ships out of the river. The Viceroy then gave way, and although the cruiser had sailed he allowed the trade to be reopened, but for several years afterwards the demand kept cropping up that the “two murderers” should be sent back from England for execution. The Viceroy refused throughout to hold any communication with the captain of the cruiser, but dealt with the case by means of public edicts and mandates addressed to the Hong merchants. The usual practice, said the edicts, was to command the Hong merchants to order the Taipan what to do and the Taipan must order the captain of the cruiser to surrender the two murderers. There could be no official correspondence with a naval officer.

The system of holding the British Taipan responsible which had worked after a fashion for over a hundred years was breaking down under the conditions of the nineteenth century. It depended primarily on the monopoly of the East India Company, and it was becoming increasingly difficult to maintain this monopoly in face of the growing clamour in England that the lucrative China trade should be thrown open to all. The first challenge to the monopoly came from the Americans during the Napoleonic wars. They introduced a new element into the China trade in the form of small, fast, handy ships manned by exceptionally bold and skilful seamen, and, as the only neutrals in a world at war, they were able to drive a very profitable trade. They quickly jumped into the

second place in the trade at Canton, being second only to the British, but a substantial portion of their trade was English imports and exports which were supposed to be reserved for the East India Company's monopoly. The monopoly in India was terminated in 1813 and the manufacturers and merchants in England were greatly exasperated that it was still maintained in China. The Americans provided a very convenient channel for breaking it. In 1831 information reached the Viceroy *via* the Hong merchants that the monopoly would probably be terminated, and he sent word to the Select Committee that the English nation would be expected to appoint a new Chief to manage the affairs at Canton. He clearly had no notion that there could be any difference between a Taipan appointed by the Company and a Royal Envoy appointed by the British Government.

Lord Napier was duly appointed Chief Superintendent of British Trade in China in 1834 and Lord Palmerston, like the Canton Viceroy but with less excuse, appeared to believe that provided Lord Napier was sufficiently conciliatory his appointment would involve no substantial change in the system hitherto in force. A Royal Envoy, however, could not accept orders transmitted through Chinese merchants, and difficulties began the moment Lord Napier tried, in accordance with his instructions, to "announce his arrival at Canton by letter to the Viceroy." The only communication the Viceroy could receive was not a letter, but a petition presented through the Hong merchants. This was the traditional method sanctioned by many Imperial edicts, and if the Viceroy had ventured on his own authority to vary or relax the rule he would have run the risk of being dismissed. Lord Napier went from Macao to Canton without first asking permission through the Hong merchants, and merely for this the Viceroy was deprived of rank and titles but ordered to remain at his post. The ensuing crisis brought matters to the verge of war. The trade was stopped, the factories were beset with troops, the servants were withdrawn, all privileges were cancelled, menacing and insulting edicts were issued

and the Hong merchants were loaded with chains and cast into prison. In accordance with the Chinese doctrine of responsibility they, equally with the Viceroy, were punished because without their knowledge something had happened which they were powerless to prevent. The storm only subsided when Lord Napier died just three months after his arrival at Macao.

Lord Napier's successor in the office of Chief Superintendent and his principal assistants were men who had previously been members of the East India Company's Select Committee. They adopted a policy of "silence and quiescence," waiting for the Government at home to make up its mind what to do, and the Government at home allowed matters at Canton to drift without any policy at all. As might have been expected they drifted from bad to worse. All attempts to communicate with the Viceroy were ignominiously rejected, the regulations for the control of foreigners were made more stringent and more humiliating, and the passions of the mob were inflamed by proclamations of the most insulting character. These proclamations ordered the Hong merchants to instruct the foreigners in the tenets of civilisation and to repress their pride and profligacy. They were not to buy young boys for them to act as servants and attendants, nor provide prostitutes for them to gratify their libidinous desires. Finally in March 1839 Commissioner Lin arrived in Canton with powers that placed him above the Viceroy and with orders from the Emperor to root out the trade in opium. His first act was to issue an order to the Hong merchants that one or two of them would be executed if the opium in the possession of the foreigners were not surrendered. His next order was that foreigners must surrender all the opium in their possession and sign bonds that in future if any ship brought in opium the parties responsible would be surrendered for execution. Troops and gunboats were then assembled, the whole foreign community was imprisoned in the factories, servants were withdrawn and supplies of food and water cut off. Ten days after the issue of the order, Captain Elliot, the Chief Superintendent, gave way and undertook to sur-



render some 20,000 chests of opium. The restrictions were then relaxed, and Commissioner Lin gave permission for the trade to be resumed, but to his surprise the British showed no alacrity to comply. The Chief Superintendent forbade British subjects to sign the bond prescribed in Commissioner Lin's order, and British ships were consequently debarred from coming up the river to Whampoa. A deadlock ensued but it was clear that a way round the obstacles would be found. Other nationalities showed no reluctance to resume trading in spite of the bond, and presently it transpired that the Chief Superintendent had exceeded his authority in imposing an embargo on British trade, and that he had no legal power to enforce his order against signing the opium bond. British ships began trading from anchorages in the estuary, and one, whose master signed the bond, actually came up the river to Whampoa, but unluckily at this juncture another homicide occurred and events moved to their inexorable climax. A party of sailors became involved in a drunken affray ashore, in the course of which a Chinese—Lin Wei-hsi—lost his life. It was impossible to discover who had struck the fatal blow, but it was at worst a case of manslaughter which under the Chinese code was redeemable by a fine. The usual demand was made for the surrender of the "murderer," but it had been a settled principle of British policy since the *Lady Hughes* case in 1784 to refuse to send an innocent man to his death in order to satisfy the demands of the Chinese Government. The officials then took steps to enforce compliance with the demand. Macao was cut off by a large force of troops, and proclamations were issued prohibiting supplies of food to the English and their servants were withdrawn. The Portuguese Governor was ordered to expel the English from Macao, and a little fleet of schooners, small boats and lorchas took them to safety on board the English ships. Proclamations were issued ordering the villagers along the coast to provide themselves with arms and attack, drive away or capture any English who ventured to come ashore from their ships, and eventually, on November 3rd, 1839, a fleet of twenty-nine war junks bore down on the two British

warships at anchor at the mouth of the river. The Chinese Admiral declared that all he wanted was the murderer of Lin Wei-hsi—a single individual—and that he would retire as soon as an undertaking to surrender him had been given. The surrender was refused and the war junks came on. The British ships opened fire, and thus began the war which is commonly known as the Opium War.

## CHAPTER FOUR

### *The Downfall of China*

China's exports—their civilising influence—Chinese tea and English gun—exports of silk to Rome—drain of specie and fall of Rome—China waxes greater—Chinese arrogance—assumption of superiority not absurd—Ch'ien Lung and Lord Macartney—"Our celestial Empire lacks no product"—bullion exported to buy Chinese products—drain of silver linked with opium traffic—opium prohibited in 1729—not carried in East India Company's ships or sold through Hong merchants—imported in other ships and sold to dealers in Macao—imports rise to 4000 chests by end of eighteenth century—further edict against opium in 1799—opium carried not to Macao but to Whampoa—further trouble in 1821—receiving ships anchored at Lintin—foreigners now take direct part in smuggling and bribing—increase in smuggling and lawlessness—influx of Americans and "free" English—imports rise to 19,000 chests—case of opium dealers at Macao—drain of silver checked in 1817 outflow begins in 1830—Battle of Memorials. legalisation or prohibition?—suppression may result in organised piracy—method of holding English Taipan responsible makes smuggling worse—ethics of smuggling in early nineteenth century—England's opium policy a blot on her good name—questions of principle ignored because opium financed China's exports—policy dictated by Indian revenue considerations—Indian government's monopoly of sale and manufacture—opium grown specifically for China market—policy of low prices and maximum sales in 1830—flood becomes a torrent—export of opium from India prohibited in 1926—earlier prohibition would not have stopped smuggling—lawlessness and violence—disastrous results of doctrine of responsibility—specially disastrous when applied to foreigners—no means of carrying out responsibility—e.g. crews of sailing ships—therefore cession of island suggested—war breaks out in 1839—Hongkong ceded by Convention of Chuen Pi, 1841—cession confirmed by Treaty of Nanking, 1842—treaty ports and extraterritoriality—twenty years of friction till 1860—Hongkong becomes centre for opium smuggling—opium not mentioned in negotiations—continued smuggling assumed on both sides—British hope for legalisation—power to exclude opium from Hongkong not exercised—disastrous consequences of the decision—hostility of Cantonese dates from 1841—Elliot accepts ransom for Canton and withdraws troops in face of armed villagers—henceforth traditional security enjoyed at other ports but not at Canton—Keying appointed Viceroy—popular excitement over right of entry into city—frequent attacks on foreigners—firm and friendly

attitude of Keying—the British community at Hongkong—"separation— isolation—non-intercourse and nothing more"—G O C decides to teach Chinese a lesson—attacks and captures Bogue forts—Keying permitted to commit suicide—Palmerston drops question of right of entry into city—addresses letter to Minister for Foreign Affairs at Peking—letter rejected at Tientsin—insulting Imperial Edict—Dr Bowring British Consul at Canton—a protégé of Palmerston—Taiping rebellion— increase in banditry and piracy—Chinese seek protection of foreign flags—convoy system a form of piracy—no redress for atrocities by foreigners—Portuguese lorchas at Ningpo levy "protection fees" on junks—Portuguese Consul shares the spoils—Cantonese privateers destroy Portuguese lorchas—abuse of Chinese owned vessels flying foreign flags—Hongkong Colonial ordinance authorises use of British flag by Chinese owned vessels—The Lorch Arrow—Chinese police haul down British flag and arrest crew on charge of piracy—Viceroy returns crew but Bowring refuses settlement—hostilities break out—Lorch Arrow a pretext only—Britain and France already determined to force China to agree to residence of envoys in Peking—French and British armies occupy Peking 1860—Treaty of Tientsin and Convention of Peking—improvement after 1860 due to—(1) residence of foreign envoys in Peking—(2) suppression of Taiping rebellion—(3) organisation of Customs administration—(4) legalisation of opium trade—great value of Customs administration—England's leading position—moderation of British policy—China menaced by Russia and Japan—makes no attempt to reform—collapses when attacked by Japan in 1894

It is characteristic of the genius of the Chinese people that the chief articles in China's export trade should be products such as tea and silk and porcelain which have exercised a refining influence on taste and manners in all the European countries where their use has penetrated. Tea is a comparatively modern item in China's economy. Its use can be traced back only some 1200 years, and its export in large quantities to England began only in the eighteenth century, but when, towards the end of that century, tea descended from the palace to the cottage the tea-drinking English of the nineteenth century became a more civilised people than their gin-drinking forefathers of a hundred years before. Silk has a more ancient lineage than tea. Enormous quantities of silk poured into the Roman Empire carried by caravan across Asia, and the trade in silk provided one of the great economic problems of the ancient world. Rome had no product she could export to China, and this caused a drain of specie to the east which was one of the causes of the decline and fall of the Roman Empire. Rome fell, but China, with her fringe of dependencies and tributaries, waxed greater. She was the Pole Star round which all lesser stars revolved, and Chinese

officials habitually adopted an arrogant tone in their dealings with people of other races.

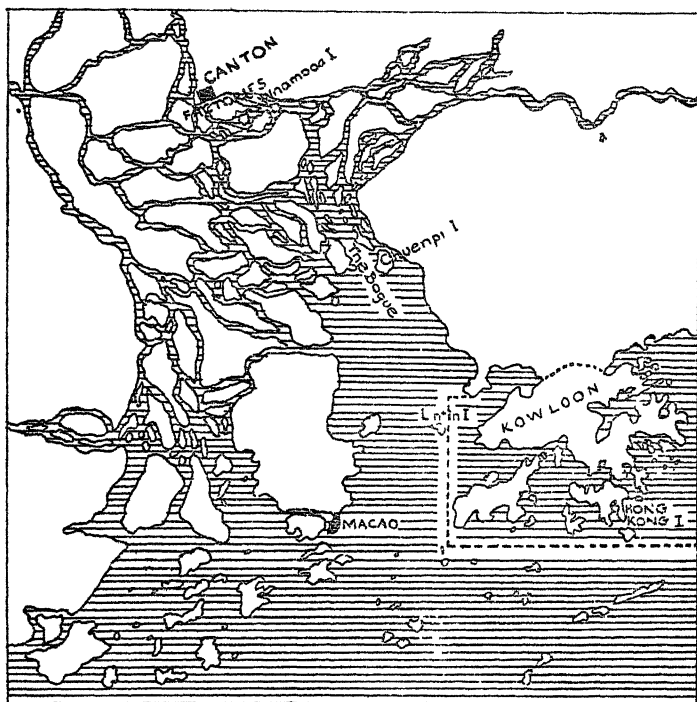
• During the period of the Canton factories Europeans were described in public documents as people born and brought up outside the pale of civilisation ; nevertheless, said the Viceroy in what is a fair example of the many documents of this character, " they yet have human hearts and it should not be impossible to impress them with awe and dread and self-conviction." This assumption of superiority may seem absurd until one remembers that the great change in the relative positions of China and Europe has taken place only within the last hundred and fifty years. In 1793 Ch'ien Lung addressed an edict to Lord Macartney in the following terms :

Our celestial Empire possesses all things in prolific abundance and lacks no product within its borders. There is, therefore, no need to import the manufactures of outside barbarians in exchange for our own products. But the tea and porcelain which the celestial Empire produces are absolute necessities to European nations

This is sometimes quoted as an example of Chinese arrogance, but Lord Macartney knew that the Emperor spoke the simple truth. The difficulty that confronted the East India Company was the same difficulty that had confronted Rome two thousand years before. England, and indeed Europe generally, produced or manufactured nothing that the Chinese wanted to buy ; and the supercargoes knew that this was not due to pride or perversity, but that in fact China lacked no product within her borders. In England on the other hand there was an eager demand for Chinese goods. Tea in particular by the end of the eighteenth century had become a necessity in the diet of the people and a very important item in the national revenue. The East India Company's ships came out to Canton in ballast<sup>28</sup> and in order to buy the tea and silk and porcelain and rhubarb for which the English craved, they had to carry a supply of bullion. This caused a drain of silver from Europe to China which in the course of

one hundred and fifty years from 1667 to 1817 amounted to nearly one hundred million pounds sterling. The drain of silver from Europe in the ancient world brought disaster on the Roman Empire. in the nineteenth century it brought disaster on China, for the drain of silver was linked up with the traffic in opium. Trade in opium was prohibited for the first time by an Imperial Edict issued in 1729. As usually happens in China no one paid much attention to the prohibition except that the East India Company rigidly forbade the carriage of opium in any of their ships and the Hong merchants abstained from dealing in it. Opium, however, continued to reach China in small quantities in Portuguese ships and in what were known as "country ships," namely English vessels not belonging to the East India Company, but trading under the Company's licence between Canton and India. The opium was not carried up the river to Whampoa for sale to the Hong merchants, but was sold in Macao to some outside Chinese dealer who paid all official exactions. There was no secrecy about it. Every official from the Viceroy downwards knew all about the opium trade and shared in its profits. At the end of the eighteenth century about half the opium produced in British India found a market in Macao and imports from all sources had crept up from a modest two hundred chests to four or five thousand chests a year.<sup>29</sup>

The machinery by which the trade was conducted required skilful lubrication. In 1799 there was some internal disturbance in these arrangements connected apparently with the excessive share of the profits accruing to the Portuguese. This resulted in the issue of an edict by the Viceroy calling upon the Hoppo to prevent any further importation of the drug. Everybody knew, however, that the Hoppo derived an enormous revenue from the trade and that he would continue clandestinely to encourage it. The edict, therefore, though couched in very severe language, "occasioned no kind of alarm to the Chinese who conduct the business," while the Select Committee privately informed the country ships that they need not fear to bring opium to China, and



*The Estuary of the Canton River*

advised them to escape the Portuguese exactions by taking it up the river to Whampoa instead of selling it in Macao.

For the next twenty years the opium was carried as far as Whampoa in ships of various nationalities and sold over the ship's side to Chinese dealers. The trade suffered no serious inconvenience from the edicts occasionally directed against it when a new Viceroy or Hoppo took office. In 1821, however, there was another and more serious disturbance in the delicate machinery of the opium trade. A Chinese who acted as the "medium through which the local officials received their fees for connivance in the opium trade" was

arrested for a serious crime and sought to gain immunity by informing against various officers of the government. This created a great stir and scandal. No more opium could be sold over the ship's side at Whampoa and a new system was inaugurated. Receiving ships were anchored at Lintin and other places near the entrance to the Canton estuary and the opium was landed from these ships in small fast boats, well armed and with thirty or forty oars. In Chinese they bore the picturesque titles of "scrambling dragon" or "swift crabs". All these anchorages were, of course, inside Chinese territorial waters and were indeed parts of the Province of Kwangtung, but the Chinese described them as being in the "outer seas".

The receiving ships at Lintin were a most unfortunate development. Foreigners now took a direct part in the actual smuggling and bribing and the business attracted a reckless and lawless class of men who stuck at nothing when enormous gains were in prospect. They were just as ready to fire on government vessels as to repel the attacks of pirates, and they were, of course, less skilful in the arts of lubrication than the Chinese dealers they had supplanted. Lintin became a base for smuggling other goods as well as opium and presently small handy craft of the type first introduced by the Americans were carrying opium up the China coast and receiving ships were anchored on the Fokien border and further north.

During these years there was a considerable influx of Americans and "free" English into Canton. "Free" requires some explanation. The East India Company's monopoly of trade with India was terminated in 1813, but the monopoly for China was extended for another thirty years. This was resented by merchants and manufacturers who became increasingly impatient of restrictions on free enterprise. "Free" English now went to China without dreaming of asking for the Company's permission, and the Select Committee after a while abandoned even the formality of issuing an annual reminder that private English must leave China forthwith. They also abandoned all pretence of exercising any control over their ships, trade or persons. The

Americans and free English entered with zest into the opium trade which was also free—insofar as it was not subject to the irksome restrictions imposed on trade with the Hong merchants—and they made good use of the opportunities provided by the system of receiving ships at Lintin. Under this stimulus imports which had remained stationary for thirty years at about 4000 chests rose after 1821 to 19,000 chests a year.

The great attraction of the trade was that the opium was sold for hard cash in a free market. The profits were enormous and until about 1836 no genuine attempt was made to check the traffic. At intervals the Viceroy or the Hoppo would publish edicts ending with some such phrase as "Feel a cold shiver at this," but no one shivered. "It is in substance," said the Select Committee in 1832, "so similar to those which have now for years been periodically issued on the same subject that we must consider it to be equally unmeaning."<sup>30</sup> In fact, these fulminations by increasing the risks increased the profits and actually gave a stimulus to the trade. The risk was not suppression but extortion. A typical case was that of a notorious pirate chief who was induced to give up piracy by the offer of the post of officer commanding a division of war vessels off the Fokien coast. He brought with him in his new employment much inside information about the ways of opium smugglers, and he sought to turn this information to his private advantage by seizing some of the smuggling craft. The Viceroy at Foochow sent an official report on the subject to the Viceroy at Canton, and the latter had to take spectacular action against those who were known to be trading in opium. Six of the principal opium dealers in Macao were cast into prison, severely tortured and made to pay enormous sums, and it was thought that at least they would be banished to Ili. But the Viceroy found a way out of the difficulty. He sent a report to Peking explaining that the merchants had chased an absconding Portuguese debtor on to a ship in the harbour. The Portuguese tendered some opium in payment. The merchants accepted it, but owing to the sharp look-out kept by the Hoppo they did not dare bring it ashore, so they "continued to sell it to people, of



whose names they were ignorant, who happened to be passing and repassing in boats." They were quite innocent but they ought to have known better so they had been sentenced to wear the cangue<sup>31</sup> for one month. As imports of opium increased imports of bullion declined. The drain of silver was checked in 1817; then the tide turned and by 1830 silver was flowing out of China to India and Europe. Many Chinese, including in particular the Emperor, were greatly alarmed at the evils which the opium-smuggling trade had brought in its train and in 1835 a certain Hsu Nai-tzu sent a memorial to the throne suggesting that the trade should be legalised and placed under proper control. This started what is known as the Battle of the Memorials, some officials supporting legalisation and some urging total suppression. For three years public attention was focused on the question. Most people believed that the trade would be legalised and the whole of China watched in suspense waiting for the Emperor to decide. After 1834, when the East India Company's monopoly in China was ended, there was a further influx of "free" traders, imports rose to 30,000 chests and the smugglers grew more daring and more impatient of restraint. The officials, however, at a time when public attention was focused on opium, dared not remain quiescent, and there was a spate of orders, edicts and proclamations, while arrests and executions alternated with continued connivance.

Captain Elliot warned Lord Palmerston that if the Emperor decided on suppression a very dangerous situation would arise, for Chinese methods of suppression might merely turn the smuggling into organised piracy. No Chinese ever seemed to realise that smuggling could not be checked unless they themselves took the task in hand and organised an efficient Chinese preventive service. In accordance with the doctrine of responsibility they preferred to make some other party responsible, and that other party could only be the Chief Superintendent of British Trade. The receiving ships, however, belonged to six different nationalities; less than half the opium imported was produced in British territory, and

even the Bengal opium could easily be shipped to some foreign country and thence to China. It was unreasonable to suppose that the smuggling could be stopped by making Elliot responsible and taking action against him and the British community in Canton. Nevertheless that is what Commissioner Lin did in 1839. He won a complete victory over the British. Captain Elliot gave way and surrendered opium worth eleven million dollars ; yet three months later it was reported that the number of vessels on the coast engaged in the illegal traffic was greater than at any previous time, and that there had come into existence a formidable organisation of native smugglers with whom the officers of the Government did not venture to interfere.

A hundred years ago, both in China and the west, smuggling was not regarded as being particularly dishonourable, and British participation in the opium-smuggling trade in China, in its initial stages at any rate, was not of such a character as to bring discredit on Great Britain or disturb the good relations between the East India Company and the Chinese authorities at Canton. In a highly entertaining chapter in his book *The Englishman in China*, Alexander Michie draws a parallel between the way the East India Company conducted its affairs and the way the Chinese Empire was governed from Peking. That stately argosy, the *East Indiaman*, with her leisurely voyages once in two years, was the very apotheosis of monopoly. The command was reserved as a short road to fortune for the protégés of the Directors in London. The officers were allowed tonnage space and other perquisites and "indulgences" according to their rank with the result that £8,000 to £10,000 per voyage—of which £180 was salary—was reckoned a not extravagant estimate of a captain's emoluments. The captains carried on a systematic smuggling trade with various ports in the United Kingdom and on the Continent "where they had no business to be at all though they found pretexts, *à la Chinoise*, such as stress of weather or want of water, if ever called to account." Proposals to stop the smuggling were viewed with much alarm by the inhabitants of such places as the Channel Islands, the

Scilly Isles or the Isle of Wight. Mr. Michie quotes an official report of 1828 "that these islands were never known with so little smuggling as this year, and the greatest part of the inhabitants are reduced to great distress in consequence, for hitherto it used to be their principal employment." The Court of Directors was quite unable to check these irregularities "Their fulminations, resolutions, elaborate advertisements, and measures prescribed for getting evidence against offenders, bore a curious resemblance to those futile efforts which are from time to time put forth by the Chinese Government, which is equally impotent to suppress illicit practices in its administration. One cause of this impotence was also very Chinese in character. The smugglers had friends in office who supplied them with the most confidential information."

It is against this background that the ethics of opium smuggling in its early stages must be judged. Nevertheless no reasonable person will deny that England's opium policy in the nineteenth century is a blot upon her good name. Early in the century the smuggling assumed the proportions of a catastrophe so great that a government better organised than that of China might well have been overwhelmed, and it had a disastrous effect upon the relations between China and the west and—both directly and indirectly—upon British interests in China. The aim of British policy should have been to discourage opium smuggling in order to develop an expanding market for British manufactures, but the sale of smuggled opium provided a means of financing the export of Chinese produce to Great Britain and this consideration caused British statesmen to shut their eyes to the question of principle and to the wider British interests involved. The British Government allowed its opium policy to be dictated by India and the policy of India was dominated by revenue considerations.

In 1773 Warren Hastings became Governor General of India, and one of his first acts was to take over the monopoly of the sale of opium, but the evil really began when the Government of India, which was in fact the East India

Company, assumed the monopoly of the manufacture of opium in 1797. For a hundred years the Company had sought in vain for some commodity they could sell in China to provide funds for the return investment in tea and at last an article was discovered which the Chinese were eager to buy. The Company refused to allow opium to be carried in its ships, but in its capacity as Ruler of India it employed all its resources of skill and enterprise to ensure that the opium grown in British India should be of a quality to command a ready sale in China, and everything possible was done to encourage its carriage under foreign flags or in "country" ships. In the beginning the Government of India tried to make the best of both worlds. It tried to restrict the sale of the drug and at the same time to extract the maximum revenue by a policy of high prices, but in 1830 this was abandoned for a policy of low prices and maximum sales. In the next decade the imports rose from twenty to thirty thousand chests, and after the war the flood became a torrent which only began to slacken about 1865, by which time vast quantities of opium were being grown in China. At the beginning of the nineteenth century the Indian opium revenue was about £1,000,000 a year; at the end of the century it was £7,000,000 and the exports to China had risen to 50,000 chests a year. In 1926 the government decided to prohibit the export of opium from India altogether.

It would have been better for Great Britain's reputation if this decision had been taken a hundred or a hundred and twenty years earlier, but it would not have solved the problem of opium smuggling. Only about half the opium smuggled into China came from British India. Large parts of India, including, for example, the great seaport of Karachi, were not under British rule, and Malwa opium grown in the native states, as well as Persian and Turkish opium, would still have been smuggled into China, and would still, as the Consul at Canton reported, have had "a universal toleration throughout the Empire of China."<sup>32</sup>

The enormous profits to be made by smuggling opium attracted lawless adventurers of all nationalities to the China

coast, and the ramifications of the illicit trade were such that even among substantial merchants there grew up a spirit of contempt for all authority and impatience of restraint from whatever quarter it was exercised ; and at about this time China plunged into a prolonged period of misgovernment and disorder, when banditry and rebellion became endemic and the coasts became infested with pirates. The Chinese Government's only prescription for dealing with these troubles was to hold some person responsible. Throughout the nineteenth century officials who had done all that was humanly possible in situations of great difficulty were degraded, banished, beheaded (or committed suicide) merely because the policy they had been enjoined to carry out had proved a failure. Knowing that they were liable to be punished for matters which it was beyond their power to control officials were driven to conceal the facts at any cost from Peking. If a Consul, for example, threatened a Viceroy with a gunboat the Viceroy immediately gave way, for if the gunboat materialised he would have been punished for his failure to soothe and bridle the barbarian. Even more futile and disastrous were the consequences of this doctrine of responsibility when applied to foreigners in the pre-treaty days at Canton. The English Taipan was held responsible for the good behaviour not only of the British community in the factories, but of the crews of sailing ships in harbour (numbering some two thousand men) and of the craft engaged in smuggling up and down the coast. He lacked both the legal powers and the physical means to discharge this responsibility and his deficiencies could not be made good without a usurpation of functions constituting an encroachment on China's sovereign rights. The least objectionable solution was the cession of some island off the coast where the British community could live under the jurisdiction of their own authorities. This was the solution first suggested by Lord Macartney in 1793 and ultimately achieved by the cession of Hongkong after hostilities had broken out in 1839.

The Convention of Chuen Pi of February 1841, by which Hongkong was ceded to the British Crown, was indignantly

denounced by Queen Victoria and Lord Palmerston because it conceded only a fraction of the demands that Captain Elliot, the Chief Superintendent, had been instructed to make. It was denounced with equal vigour by the Emperor Tao Kuang and his Ministers who refused to sanction a cession of Chinese territory. Hostilities were resumed and were only finally brought to a close eighteen months later by the Treaty of Nanking of August 18th, 1842, which confirmed the cession of Hongkong and in addition designated five ports—henceforth known as treaty ports—where foreigners were allowed to acquire land and houses and carry on their trade under the jurisdiction and protection of their own officials and free from the humiliating restrictions imposed on them in the factories at Canton. The war was over, but the treaty ushered in a period of nearly twenty years of constant friction, punctuated by outrages and armed clashes, culminating in another war which broke out in 1856 and which was only brought to a close when the armies of France and Britain entered Peking in 1860. Some share of the responsibility for this unhappy state of things rests upon the British.

Captain Elliot, the Chief Superintendent, who negotiated the Convention of Chuen Pi, was a man whose character commands our admiration, but his judgment was frequently at fault and he was recalled as soon as the news of the Convention reached England. Captain Elliot was anxious that the treaty of peace should take account of the difficulties and weaknesses of the Chinese Government, and that smuggling should not be carried on under the protection of the British administration to be established in Hongkong. The island of Hongkong stands in much the same relation to the port of Canton as the Isle of Wight does to the port of Southampton, and it is much nearer to the mainland than the Isle of Wight is to England. The northern shore of the harbour, which at some points is only six hundred yards away, was Chinese territory and junks could slip from British into Chinese waters with the utmost ease. Captain Elliot accordingly agreed that the trade carried on at Hongkong should pay taxes to the Chinese Government exactly as if it were carried on at

Whampoa—the port of Canton. Lord Palmerston, though he rejected the Convention and recalled Elliot, instructed Elliot's successor, Sir Henry Pottinger, that this arrangement should be adhered to. Local influences, however, were too strong. Every vestige of Chinese authority was swept away, and from the moment it came under British rule Hongkong became the centre from which opium as well as ordinary merchandise was smuggled on a gigantic scale into China.

During the negotiations which were carried on from time to time after war broke out in 1839 until the signature of the Treaty of Nanking in 1842 the subject of opium was not mentioned by either side. The Chinese officials appeared to assume that opium smuggling would of course continue and that they would of course continue to make a profit by conniving at it. The British officials in China knew that opium was produced in India expressly for the China market and that a vast organisation, with the whole weight and influence of the Government of India behind it, had been called into existence for the purpose of transporting the opium to China. They knew that opium would continue to reach places on the China coast and somehow find its way thence into the interior. As it was obviously beyond the capacity of the Chinese Government to create a preventive service powerful enough to control the smuggling they hoped that one day the Chinese Government would see the wisdom of legalising the import of opium so that it might be placed under proper regulation ; but in the meantime they preferred to shut their eyes to the whole traffic. It seems clear that none of the British representatives on the spot—not even Captain Elliot—ever contemplated prohibiting the import of opium into the British Colony of Hongkong.

Peel was very conscious of the discredit brought on England by the manner in which the opium trade was conducted. He insisted that Hongkong should be made a dependency of the British Crown rather than, like Aden, of the East India Company, for he feared that “ India and the East India Company had too strong a pecuniary interest in the profits of the opium trade to be enabled to exercise a perfectly unbiased judgment

in respect to the commercial intercourse with China.”<sup>33</sup> Nevertheless he allowed the policy of the British Government to be influenced by the vehement demand of the Viceroy of India that nothing should be done to imperil India’s opium revenue. In January 1843 Lord Aberdeen, who had succeeded Palmerston as Foreign Secretary, declared that “Her Majesty’s Government can do no more for China than prevent the island of Hongkong from being a resort and market for British smugglers,”<sup>34</sup> and Sir Henry Pottinger was duly empowered by Order in Council to forbid the opium traffic in Hongkong waters. These powers, however, were never exercised, and in 1844 Aberdeen agreed that Sir Henry Pottinger might “be permitted to suspend the exclusion of opium from the waters and harbours of Hongkong if he should think it expedient to do so.”<sup>34a</sup>

The consequences of this decision were both far reaching and disastrous. Opium was openly imported into Hongkong, openly stored in Hongkong warehouses and storeships, openly transported in heavily armed foreign vessels to receiving ships anchored at each of the treaty ports, and openly conveyed thence in heavily armed Chinese craft to Chinese soil. The British authorities declared that they would give no countenance or protection to British merchants who smuggled opium if the offence was proved against them, but that it was for China herself to find means of enforcing her own revenue laws. The reality that lay behind this facade is exposed in a report by Consul (afterwards Sir Rutherford) Alcock of the year 1849:

The effective protection lent to the chief opium dealers, in their capacity of British merchants, resident at the ports under the provisions of the treaty, and the manifest inability of the Chinese either to bring the legal proof we should require against these principals, or of attacking by force their agents in the glaring infraction of the Chinese laws, at the opium stations, no doubt flings an air of insincerity over all our protestations of non-intervention, while there is mockery in the invitation to assail large fleets of heavily armed European vessels.



The report, however, did not draw the conclusion that the British connection with the smuggling should be terminated forthwith. It pointed out instead that an enormous capital and a large revenue were involved in the opium trade which, moreover, was inseparably connected with the legitimate trade as a means of laying down funds in China : these considerations "preclude all idea of its cessation or removal."<sup>35</sup> The opium trade accordingly continued to flourish and expand. From its base in Hongkong it provided during several decades a background of lawless violence to the whole political scene, and it caused a progressive deterioration in the former good relations between the Chinese and the British at Canton.

When hostilities began in 1839 the officials at Canton issued proclamations calling upon the villagers to kill, drive away, or capture any English who might land in search of water or provisions, and rewards up to \$50,000 were offered for the heads of any they might kill. This conduct seemed barbarous in the eyes of the British, but the Chinese were, of course, only following their traditional course in dealing with sea marauders. Captain Elliot was desperately anxious that the points at issue should be settled without leaving any bitterness behind, but the worst blunder he committed was when, in pursuit of this aim, he agreed to accept a ransom for the city of Canton. Many attempts had already been made to reach a settlement by negotiation but on each occasion hostilities broke out again. In May 1841, after another such armistice had broken down, British troops advanced on Canton and captured the heights dominating the city in the rear. During the whole of one day operations were rendered impossible by rain which fell in torrents. Early next morning everything was in readiness. The guns were loaded and primed, the port fires were lit, the general and commodore were giving a last look round when suddenly a messenger arrived with news that Elliot had agreed to a truce and that the British forces were to remain in their position until the ransom should have been paid. The Chinese and Manchu troops inside the city were duly

withdrawn, but the people of Canton and the natives of the country round had been armed or had taken arms on their own account. From a hundred and eighteen villages the whole of the male population between the ages of sixteen and sixty joined the movement and advanced against the British encampment. They were driven off, but rain came down again in torrents and the Chinese, perceiving that the Sepoys' muskets were useless owing to the rain, returned to the attack with long spears and hooks attached to bamboos. The Prefect of Canton came out and persuaded them to withdraw, after which the British forces re-embarked in the sight of thousands of banded villagers swarming on the hills around. The incident was doubly disastrous. On the one hand it enabled the officials to report to the Court at Peking that the English had been repulsed from the walls of Canton, and on the other hand it left in the minds of the Cantonese the conviction that they were invincible, for they took to themselves the whole credit of expelling the barbarians after the regular Chinese forces had withdrawn. From this time, says Morse, may be dated the unchangeable personal hostility of every Cantonese to every foreigner, carrying with it the seeds of much future trouble.

Authorities on China from the earliest down to modern times agree in describing the security enjoyed under a just and orderly administration and the systematic protection afforded to travellers. Merchants who resided in Canton during the decades just prior to the opium war also speak of their "sense of perfect security for person and property" and of the "vigilant care over the personal safety of strangers who came to live in the midst of a population whose customs and prejudices were so opposed to everything foreign."<sup>36</sup> After the opium war the same sense of security was felt at the newly opened treaty ports—particularly at Shanghai—but at Canton the authorities had great difficulty in restraining the violence of the mob. The war party in Peking had lost its influence for the time being and Keying, the ablest and most powerful official in the Empire, was sent as Viceroy and High Commissioner to Canton for the express purpose of making

the new system work, but his task was not rendered easier by the attitude of the British authorities in Hongkong. They made the initial mistake of insisting on the right of entry into the city of Canton. The right had no practical value whatever, but it became on the British side a symbol of victory and on the Chinese side a symbol of submission. Every attempt to claim it was the signal for a violent outburst of popular excitement deliberately fomented by the gentry and literati. The passions aroused by the events of May 1841 were thus inflamed and kept alive, and for about a decade after the treaty of Nanking riots and attacks on foreigners in or in the neighbourhood of Canton were of frequent occurrence. Keying won the gratitude and admiration of the foreign authorities for his friendly and helpful attitude, and for his firmness in repressing crimes of violence against foreigners. This, however, made little impression on the British community at Hongkong.

The British Government had deliberately acquiesced in a policy which inevitably turned Hongkong into a "resort and market for British smugglers" with the result that for every other purpose it represented, as one of its Governors declared, "separation — isolation — non-intercourse and nothing more."<sup>37</sup> Under the influence of the diehard sentiment that flourished in such soil the British Plenipotentiary reached the decision that the time had come to teach the Chinese a lesson. At midnight on April 1st, 1848, the G.O.C. at Hongkong embarked a small force on ships of war and, without a word of warning, assaulted and captured all the forts in the Bogue and the Canton river, destroyed their gateways and arsenals and spiked eight hundred and twenty-seven pieces of heavy cannon. This spelled the ruin of Keying and the end of the policy for which he stood. He was recalled and was later permitted to commit suicide instead of suffering the more severe punishment of decapitation. The British, on the other hand, were no nearer securing the right of entry into Canton, and eventually even Lord Palmerston saw the folly of insisting on it. The right was abandoned for the time being under protest, whereupon the Emperor bestowed public awards

upon the Viceroy and Governor and on the leaders of the gentry, while the Viceroy and Governor in turn dedicated to the principal temples votive tablets ascribing the victory to the merits and patriotism of the people. Lord Palmerston then sent a letter addressed to "The Minister for Foreign Affairs at Peking." The letter was sent in a warship to the mouth of the Peiho and was there rejected with contumely. An Imperial Edict declared that the recent proceedings of foreigners in impudently forwarding despatches direct to the Ministers of State was contumacious and insulting in the extreme; the documents were to be passed over in perfect silence as if they were of no consequence whatever; and henceforth the Viceroy at Canton, who had shown himself thoroughly acquainted with the diabolical schemes and manœuvres of foreigners was to be entrusted with the sole management of international affairs. The Chinese Government, with its usual ineptitude, thus lost no opportunity of strengthening the hand of those who advocated that the proper way of dealing with the Chinese was to teach them a lesson.

It so happened that at this time one of the leading exponents of this school of thought—Dr. Bowring—was British Consul at Canton. He was a man of great ability and force of character who had made some mark as radical Member of Parliament, Secretary of the Peace Society, friend of Bentham and Cobden, and protégé of Palmerston; and when the latter appointed him to Canton he came out imbued with the idea that he could quickly change the hostile feelings of the Chinese into friendship. He was greatly disillusioned by the defeat he suffered over the question of the right of entry into Canton and the subsequent foolish conduct of the Chinese Government and people. The right of entry became an *idée fixe* and on more than one occasion peremptory instructions had to be sent to him to abstain from raising this provocative question. His appointment as Governor of Hongkong in 1854 made a second Anglo-Chinese war inevitable.

There were many indications at this time that corruption

and misgovernment had caused something very like a breakdown in the machinery of government. The Grand Canal, the main artery of traffic between the Yangtse and Peking, silted up and became useless for navigation, the Yellow River changed its course and found a new outlet to the sea five hundred miles to the north, and in 1850, the year in which Lord Palmerston's communication was rejected, there broke out the great Taiping rebellion which in the course of sixteen years devastated twelve of the eighteen provinces of China and destroyed twenty million human beings. This caused an immediate and disastrous increase in piracy along the coast of China and especially in the waters round Hongkong. Chinese merchants not unnaturally sought the protection of foreign flags: "The demand for handy coasting craft was generously responded to by all maritime nations, but chiefly by the ship-owners of northern Europe. Such a mosquito fleet was perhaps never before seen as that which flew the flags of the Hanse Towns and of Scandinavia on the China coast between 1850 and 1860; and many a frugal family on the Elbe, the Weser and the Baltic lived and thrived out of the earnings of these admirably managed and well-equipped vessels."<sup>38</sup>

Other methods of obtaining the protection of a foreign flag were less satisfactory. Foreigners were enlisted in the service of Chinese traders, but the class of foreigners so employed were as ready to sell their services to the pirates as to the merchants. They were in practice subject to no jurisdiction and were guilty of atrocities which the Chinese authorities and people were unable to prevent. Foreign flag vessels were employed to convoy native junks, but the convoy system degenerated into a system whereby the foreign vessels levied blackmail on peaceful traders—a form of piracy which gave rise to frightful abuses. Only in one recorded instance did these foreign pirates meet their just deserts. At Ningpo Portuguese lorchas monopolised the business of levying "protection fees" on all junks entering or clearing from the port. They committed the most frightful atrocities, but as the Portuguese Consul shared their spoils no redress could be

obtained. Eventually the merchants and officials of Ningpo came to terms with the Cantonese pirates who infested Ningpo waters. The pirate chief assembled a fleet of about twenty junks which attacked the Portuguese lorchas and chased them up the river to Ningpo. In the ensuing battle the Portuguese were disgracefully beaten. The remnants of them fled ashore and were shot down or hunted and butchered with knives and spears. The pirates acted with purpose and strict discipline. Portuguese trading lorchas were not molested and no European was even insulted by the infuriated Cantonese.

One of the worst abuses of the unequal treaty period was the withdrawal of Chinese nationals from the jurisdiction of their own authorities by the extension to them of the extra-territorial privileges conferred on foreigners. Chinese merchants began by employing foreigners and foreign-flag vessels in order to protect their cargoes against the depredations of pirates. The next step was that Chinese-owned vessels began flying foreign flags under sailing letters granted, quite illegally, by a foreign Consul. The Consul reaped a golden harvest from registration and shipping fees, while the Chinese, who thus purchased a foreign flag, might be a merchant seeking protection against pirates or a criminal seeking immunity from the jurisdiction of his own authorities. In 1854, soon after Sir John Bowring's appointment as Governor of Hongkong, a Colonial Ordinance authorised the use of the British flag on Chinese-owned vessels. Chinese junks trading between Hongkong and ports in China were required by treaty to produce a pass issued by the Chinese authorities at one of the open ports. The British merchants in Hongkong had always strenuously objected to this arrangement which enabled the Chinese officials to strangle the junk trade of the Colony. The new Ordinance made it possible to avoid this stipulation and, in effect, transferred control of the junk trade from Chinese to British hands. On October 8th, 1856, a Chinese-owned vessel—the *Lorcha Arrow*—was boarded by Chinese police in the Canton river, the British flag was hauled down and twelve of her crew of fourteen were taken off. The

return of the men and an apology for the insult to the flag were demanded, and before many days had passed Bowring had decided that the time had come to settle all questions at issue with the Chinese authorities including treaty revision and the vexed question of the right of entry into Canton city. The Viceroy at first returned nine of the crew alleging that the other three were pirates. This was refused, and on October 22nd he returned all twelve, but Bowring was determined on complete submission, and this also was refused on the ground that they were not accompanied by an officer of rank or any letter of apology. On the following day hostilities began with the bombardment and capture of the forts between Whampoa and Canton.

"By the end of the summer of 1856," says Mr. W. C. Costin,<sup>39</sup> "questions were constantly arising concerning the conditions in which foreign vessels were allowed to hoist the national flag: for instance, a large Chinese junk left Macao in April 1856 illegally under American colours, whilst an American house in Shanghai was offered \$100 for the privilege of using its name to procure American registry for a Chinese ship. There were vessels assuming the flags of foreign powers without authority, and vessels flying flags granted by trading consuls of other European States having no authority to give registers." In despatches to the Foreign Office Dr. Bowring admitted that Chinese lorchas having colonial registers had "been participating in nefarious deeds"<sup>40</sup> and that the Chinese officials were "utterly unable to distinguish between the claims of subjects of non-treaty powers as the recognition of the consular authorities of such powers was of the most loose and irregular character."<sup>41</sup> No more flimsy pretext, therefore, for making war on China could have been found than the affair of the *Lorcha Arrow*. It was, however, a pretext only, for in fact a situation had developed which made a second war inevitable. After the diplomatic defeat inflicted on Dr. Bowring and Lord Palmerston in 1850 over the question of the right of entry into Canton, the war party gained the upper hand in Peking with the result that the provincial authorities at the treaty ports—particularly at Canton—

adopted a deliberately insulting and obstructive attitude towards the representatives of the foreign powers, and it was clear that no solution would be found until the Chinese Government had been persuaded or compelled to follow the normal course and permit the permanent residence of foreign envoys at Peking. In no other way would it be possible to break down the vicious system by which the Imperial Court, while shirking its own responsibilities, held the provincial authorities responsible for keeping the foreigner at bay. Before the affair of the *Lorch Arrow* had occurred the Governments of France and Great Britain had agreed that an attempt, backed by force if necessary, must be made to break through the barriers of obstruction ingeniously erected at Canton and press this solution on the Government at Peking. They had every reason to believe that the U.S. had decided to join in using force for this purpose, but when hostilities broke out the U.S. Government drew back and left the actual fighting to France and Great Britain.<sup>42</sup>

Fighting and negotiation continued intermittently from 1856 to 1860, and perhaps the most remarkable feature of the campaign was that it was carried on in accordance with the Confucian principles which guide all human activities in China. While the armies of France and Great Britain, with the moral approval of America, attacked China's forces in the north and occupied her capital, the governments of those same powers saved the Chinese Government from collapse by helping to suppress the Taiping rebellion and by organising on behalf of China a Customs administration to enable her to control the foreign trade. The Treaty of Tientsin was signed after the Allies had forced their way to that port in 1858, but peace was not finally restored until the French and British plenipotentiaries entered Peking at the head of their respective armies in 1860 and there signed a new convention and exchanged ratifications of the treaty of 1858. The period of conflict then came to an end and the system of extra-territoriality and treaty ports began to work, with a fair degree of satisfaction to both sides.

There were several reasons for the favourable turn taken by



events after 1860. Foreign envoys having been admitted to Peking, the central government could no longer shuffle off its responsibilities for the conduct of relations with foreign powers, and at the same time the central government's position was strengthened by the suppression of the Taiping rebellion and by the organisation of the Maritime Customs Administration. Up to 1842 the foreign trade had been milked under an ingenious system by which the foreign merchant never knew how much he was paying and was never brought into direct relations with the Chinese officials. After 1842 the payment of the duties prescribed by the treaty tariff became in each case a matter of bargaining between merchant and official, but when the rebels captured the native city of Shanghai in 1853 this system, such as it was, broke down and no duties were collected at all. The foreign Consuls then came to the rescue. At their suggestion the Taotai,<sup>43</sup> then a refugee in the foreign settlement, appointed three foreign inspectors to organise an administration for the assessment of duties, enforcement of customs regulations and prevention of smuggling. The plan was an enormous success and before 1860 Customs Houses on the Shanghai model had been established by the Chinese authorities at each of the ports open to foreign trade, and an Inspector General had been appointed to co-ordinate them into an Imperial Maritime Customs Administration.

The remarkable success of the new administration was due to the fact that the foreigners employed in it were genuinely the servants of the Chinese Government and the jealous guardians of China's sovereign rights. The customs duties were not collected by the foreign staff, but were paid direct by the merchant into a Chinese bank and the cargo was released only on production of the bank's receipt. The Chinese officials thus remained responsible for the custody and control of the revenues. Moreover with the support of their foreign colleagues they were now able for the first time to exercise a much-needed control over the foreign merchant and restrain him within the limits allowed to him by the treaties. Under the extraterritorial system Chinese laws and

regulations were not binding on foreigners, but, with the passing of the leisurely days of sail, the steamer, in urgent need of quick despatch, was so dependent on the goodwill of the customs officials that the former contempt for Chinese authority tended to disappear. For more than fifty years the smuggling trade in opium had provided the chief breeding ground for violence and lawlessness, but when the Chinese Government at last decided in 1859 to legalise the traffic this also contributed to bring about a more peaceable and friendly atmosphere.

The other European Powers, following in England's wake, had come to China by the sea route, but during the whole of the nineteenth century the interests of all Europe were negligible compared with those of Great Britain. During the first half of the nineteenth century America played an active part, but after 1860 the energies of the American people were taken up with the conquest of the prairies and they lost interest in the Orient. The impact of the west was in effect the impact of Great Britain, and the treaties imposed on China were in effect imposed by Great Britain. Specific actions of the British Government and of British traders are open to criticism, but on the whole British policy was directed with wisdom and moderation. Great Britain sought for no exclusive advantages for herself and her chief aim was that China should become able to hold her own in the world of sovereign states now closing in around her. Already in the middle of the nineteenth century the menace of Russia was looming over the land frontier in the north and before the end of the century, through the rival ambitions of Russia and Japan, China became involved in a war with Japan waged by the latter for purely aggressive purposes.

After 1860 China was afforded a breathing space of nearly forty years, but her government and people failed most lamentably to make use of the opportunity to reform the abuses in the Chinese system. "Ample time had been given to China to set her house in order," says Mr. Morse, but when she was attacked by Japan in 1894 "there was no sign of reform or regeneration." During the war "her armies

fled from every field of battle and surrendered one strong position after another ; her fleet, on which many hopes had been based, was driven ignominiously to the shelter of fortified ports ; her commanders showed themselves all incompetent and many cowards ; her administration was as inefficient and corrupt in the hour of the nation's peril as it notoriously was in time of peace . . . China's humiliation was complete."<sup>44</sup>

## CHAPTER FIVE

### *The Race between Russia and Japan*

*China's collapse takes Europe by surprise—Japan still a mystery—Europe and Japan in sixteenth century—Nobunaga, Hideyoshi and Iyeyasu—Hideyoshi's dream of Empire—campaign in Korea—Iyeyasu founds Tokugawa Shogunate—Portuguese from Macao discover Japan in 1542—Xavier lands in 1549—misdeeds of Portuguese merchants—Japanese fear of Christian missionaries—Edict against Christianity in 1587—Christianity prohibited 1614—foreign merchants still welcomed—poor response by Spanish, Dutch and British—Iyeyasu dies in 1616—his bold policy abandoned—foreign trade confined to Hirado and Nagasaki—Spaniards expelled in 1624—only Dutch and Portuguese remain—Japanese decide on complete severance—Dutch base in Formosa—splendour of Macao maintained out of profits of Japanese trade—Japanese tighten restrictions—expel Portuguese in 1636—Embassy from Macao in 1637—ship burnt and all executed—Macao ruined—Dutch confined to Deshima—one ship a year—Commodore Perry ends seclusion in 1853—American interest in Pacific trade—Japanese alarmed but not surprised by appearance of American warships—decide on normal relations with foreign countries—a turbulent decade—bombardment of Kagoshima and Shimonoseki—Shogunate discredited—way prepared for Meiji restoration—power generally exercised from background—Cf. Emperor and Shogun—system devised by Iyeyasu—250 years of internal peace—fiefs well governed—a reservoir of able men for national administration—seclusion policy weakens Shoguns—Britain's empire and Napoleon's campaigns—dream of empire revives—rising prestige of Emperor—Hitotsubashi succeeds as Shogun 1867—returns administration to Emperor 1868—clans surrender fiefs—Daimyo and Samurai surrender privileges—feudal system swept away—galaxy of brilliant men—little opposition—patriotism and self-sacrifice—a parody of western institutions—oligarchs "build up" Emperor—General Staff controls national policy—tribal myths taught as authentic history—divine race, divine land, divine Emperor, divine mission—manifest destiny—dispute with China settled 1874—Samurai revolt—Japan's hand forced by Russia in 1894—Russians cross Urals in sixteenth century—reach Pacific in sixty years—avoid clash with Manchu Dynasty—Treaty of Nerchinsk 1689—watershed of Amur the boundary—Muraviev Governor-General of Eastern Siberia in 1847—sends expeditions down Amur—Crimean war—China in*

*difficulties 1856-60—Russia gains left bank of Amur and cession of Primorsk—Vladivostok founded 1860—Russian designs on Manchuria and Korea—Korea tributary to China—American warships bombard Kianghwa 1871—King of Korea appeals to Board of Rites Peking—Chinese authorities shuffle out of responsibilities—Japan imposes treaty on Korea 1876—Yuan Shih-k'ai appointed Chinese Resident at Seoul 1883—faction fights and riots—Russia occupies Port Lazareff 1885—Russia withdraws—Russian policy of railway penetration—Trans-Siberian railway begun in 1891—railway reaches Baikal 1894—Japan must forestall Russia in Korea before completion of railway—therefore attacks China—full scope of Japanese ambitions not realised*

*The victory of Japan* and the utter collapse of China in the war of 1894-95 took all Europe by surprise. No one realised how rotten the state of China had become and very few people in the west had any knowledge of Japan at all. Only forty years had elapsed since Japan had been compelled by a show of force to abandon the policy of seclusion and non-intercourse she had adopted in the early part of the seventeenth century and the atmosphere of mystery surrounding her had never been dispelled. European intercourse with Japan began in the middle of the sixteenth century. At that time Japan was approaching the end of a period of two centuries of furious civil wars which had laid the whole country in ruins and all but blotted out the civilisation Japan had taken over from her great neighbour, China. The work of pacification and reconstruction carried out during the latter half of the sixteenth century is associated with the names of three great soldier-statesmen—Nobunaga, Hideyoshi and Iyeyasu—the three great national heroes of the great century of Japanese history. Nobunaga was murdered in 1582. Hideyoshi, a man of peasant origin and much the greatest of the three, then became undisputed master of all Japan. He imposed his authority on the feudal nobles and established an efficient system of centralised administration, but he was the first of the many leaders Japan has thrown up at various critical periods of her history who succumbed to the megalomania which eventually caused the downfall of Japan. He dreamed of a great Japanese Empire which should include both China and India as well as the islands in the southern seas, and when the civil wars were ended he solved the problem of finding occupation for the Samurai, restless and discontented

because there was no more fighting, by leading them to the invasion of Korea with the conquest of China as the ultimate objective. After seven years of inconclusive campaigning in Korea Hideyoshi died in 1598 and the Samurai were brought back to Japan. Supreme power then devolved upon Iyeyasu, the last of the famous trio and head of the Tokugawa clan. He was appointed Shogun in 1603 and a succession of Tokugawa Shoguns continued to rule Japan until the restoration of the Meiji Emperor in 1868, fifteen years after an American squadron under Commodore Perry had compelled Japan to resume intercourse with western nations.

The Portuguese were the first European nation to enter into relations with Japan more than three hundred years before the date of Perry's visit. The sixteenth century was the century of Portugal's greatness. They were the first to discover the sea route round the Cape of Good Hope into the Indian Ocean and beyond ; they wrested the dominion of the seas from the Arabs, and soon after reaching China they persuaded the Chinese authorities to grant them a settlement on the tiny peninsula of Macao in the Canton estuary<sup>45</sup> Not until the end of the sixteenth century, when the Dutch and then the English also sailed their vessels round the Cape of Good Hope, did they have to meet the competition of any European rivals. Thus from their base at Macao they were able to monopolise the whole of the foreign trade of both China and Japan. In 1542, just thirty-one years after their first venture at Canton, Portuguese trading vessels from Macao discovered Japan. They were made welcome by the Japanese, whose chief characteristic has always been the intelligent interest they take in foreign countries and their eagerness to profit by new inventions and new ideas imported from abroad. Being essentially a warlike people they were particularly interested in the firearms which the Portuguese taught them how to use and manufacture. They were also keenly interested in the religion the Portuguese brought with them chiefly because it was something new. The famous Jesuit missionary Xavier landed in Japan in 1549 and for some fifty years Portuguese traders and Portuguese

Jesuits had a monopoly of western intercourse with Japan.

Towards the end of the sixteenth century, after the crowns of Portugal and Spain had been united under Philip II, the decline of Portugal began. In Japan Nobunaga had consistently shown them great favour, but after his death in 1582 their position became much weaker. This was partly due to the misdeeds of Portuguese merchants who indulged in the same slave-trading and piratical activities that brought about their expulsion at about this time from Ningpo and Ch'uan Chou, two ports on the coast of China, but it was also due in about equal measure to the fears aroused by the large number of Catholic priests who followed in Xavier's footsteps. Europe was being devastated by wars of religion. The Japanese were well aware of the "pit of calamity into which European nations were being thrust, the Spanish inquisition and the vast scale of martyrdom and massacre that turned the Netherlands and France into a shambles in the name of religion",<sup>46</sup> and they believed that similar evils might ensue from the activities of the Franciscans and Dominicans who flocked into Japan from the Spanish colony of Manila during the latter half of the sixteenth century.

During the first few decades after the arrival of Xavier, though Christianity at first made great progress, the missionaries gradually roused suspicion and resentment by their attacks upon the native religion and by their interference in domestic politics. Some missionaries instigated temple wrecking, idol breaking and other forms of violence, while others found that it was profitable to win the confidence of the ruling class, for if the local Daimyo or Princelet showed favour to the new religion, so ingrained is the habit of slavish obedience in the character of the common people, that a whole countryside might become converted to Christianity almost overnight. The easiest way of winning the goodwill of these petty rulers was to place at their disposal the knowledge of western science that the priests possessed. In practice this usually meant showing them how to manufacture weapons of war and thus rendering timely aid to some feudal lord who might be engaged in civil war against a neighbour or in rebellion

against the central government. But even more disturbing than this was the danger that the missionaries might be the instrument used by European nations as the spearhead of foreign conquest. The Protestant Dutch did not fail to encourage the Japanese in this belief and strong confirmation for it was found in the Papal Bulls which divided the non-Christian world between Spain and Portugal, which enjoined on those nations the duty and the right to convert and conquer the heathen and which assigned different countries as fields for the activities of different religious orders. The Japanese, like the Chinese, are free from the spirit of religious persecution, but before the end of the sixteenth century they became convinced that the Portuguese and Spanish priests were a menace to their country. The first edict against Christianity was issued in 1587 and ten years later twenty-six Spanish Franciscans were crucified at Nagasaki. Measures of increasing severity continued to be taken against both foreign priests and native converts until finally the decision was taken to stamp out Christianity altogether and an edict to that effect was issued in 1614.

Hostility to Christianity, however, involved no hostility to foreigners as such or to foreign trade. Iyeyasu, like Nobunaga and Hideyoshi before him, was eager to welcome foreign merchants to Japan. He guaranteed the security of their ships and liberty to trade with whom they wished; to the Spanish merchants in particular he offered a site in Yedo where they might settle if they so desired, but the Spanish merchants never came and both the British and the Dutch made a poor response to Iyeyasu's overtures. The East India Company fitted out three ships under Captain John Saris in 1611 and when he arrived he was granted a charter of privileges similar to those enjoyed more than a century later by the East India Company's supercargoes in Canton. During the first half of the seventeenth century, however, the East India Company's efforts were timid and unenterprising and John Saris, unfortunately, belonged to that type of Englishman who is unwilling to accept advice from persons whom he considers to be of inferior social status to himself. After

languishing for ten years in a remote fishing town on the western coast of Japan the English factory was dissolved showing a net loss of £2,000.

Iyeyasu's bold and statesmanlike policy was abandoned after his death in 1616. He wished not only to encourage foreign trade but to build a mercantile marine so that Japan might engage in foreign trade on her own account. The Shoguns who succeeded him, however, were obsessed with the fear that some powerful feudatory might with the help of the foreign merchants enter into relations with European powers or obtain vessels rigged and armed in European style, and they were more concerned to maintain the supremacy of the Tokugawa clan than to develop the power and resources of Japan. At first they sought to achieve this aim by confining the foreign trade to Hirado and Nagasaki, where there were no powerful clans and where the foreign merchants could be kept under observation and the foreign trade be so regulated as to be of benefit only to the Tokugawa clan. Gradually, however, their fears of aggression and intrigue grew to such heights that they decided on the timid policy of a complete severance of intercourse with foreign nations. The British had already retired. The Spanish were expelled in 1624 leaving only the Dutch and the Portuguese, but hostility to the Portuguese was mounting fast.

When Philip II closed the port of Lisbon to Protestant nations in 1594 the Dutch immediately decided to sail round the Cape of Good Hope themselves and carry the spices of the east to Europe in Dutch bottoms. Hitherto they had been content with a monopoly of the carrying trade of Europe. The Portuguese brought the pepper and cloves and cinnamon round the Cape and the Dutch collected the eastern wares at Lisbon and distributed them throughout Europe. After Philip II's foolish gesture all this was changed. The Dutch sent their own vessels round the Cape of Good Hope and founded the Dutch East India Company—a much more formidable concern than its London rival. The Portuguese collapsed before the Dutch onslaught almost as rapidly as the Arabs had collapsed before the Portuguese a century before.



The Dutch destroyed the Portuguese trade and seized or rendered innocuous all their possessions in the east excepting only Macao. Once European vessels passed Malacca and sailed into the China Sea violence was of no avail. The Dutch found it was impossible to oust the Portuguese from Macao because they had won the favour of the Chinese authorities and thus were able to exclude all their rivals from the trade of Canton. The Dutch attacked Macao in 1623, but were driven off. After trying their luck in the Pescadores they eventually settled down in Formosa—then a sort of no-man's-land. From this stronghold Dutch merchantmen secured a share in the trade between China and Japan and Dutch sea rovers preyed on the Portuguese commerce from Macao. One of the annual events, comparable perhaps to the University boat race, was to lie in wait for and try to capture the "Great Ship" from Macao.

In spite of their declining fortunes and the difficulties created by the Dutch at Formosa the Portuguese succeeded for a time in engrossing most of the trade of China and Japan. For several decades the splendour of Macao was maintained out of the profits of the trade with Japan, but the restrictions gradually became more galling. All vessels were rigorously searched and religious objects found on board were destroyed. Any vessel carrying a priest was liable to be burnt and the crew was liable to be executed. Eventually in 1636 a Decree was issued expelling the Portuguese from Japan. Their vessels continued trading, but the final blow fell in 1639 when two vessels were turned back because the Portuguese had continued to try to smuggle priests into Japan. Consternation reigned in Macao. The Portuguese could not believe that this was really the end of an intercourse that had lasted for ninety-seven years, and in the following year a splendid Embassy was sent from Macao in the hope of restoring friendly relations. The ship was burnt and every soul on board was beheaded. In 1673 a vessel of the British East India Company ventured to Nagasaki, but she was not allowed to trade because Charles II was married to a Portuguese princess. The loss of the Japanese trade completed the economic ruin of

Macao. When the *Macclesfield* reached Macao in 1699 her supercargo, Mr Douglas, in his report to the directors of the East India Company in London, described the miserable condition into which the city and its inhabitants had fallen.

After 1639 only the Dutch were allowed to remain in Japan, but they were made to live as prisoners on the tiny little island of Deshima in Nagasaki harbour; their trade was limited to one ship a year, and all other foreign vessels approaching the shores of Japan were to be driven away by force. Iyeyasu's idea of creating a merchant marine was, of course, abandoned, and it was forbidden to build any vessel capable of making a voyage in the open sea. This policy of seclusion was maintained for two and a quarter centuries and was abandoned in 1853 only when an American fleet under Commodore Perry appeared in Japanese waters and threatened to use force unless Japan opened her ports to foreign ships.

There were good reasons why, in the case of Japan, the lead should be taken by America and not England. America was active in the whaling industry, and American whaling ships seeking to obtain water and provisions in Japan had been roughly handled. America was also rapidly forging ahead in the lucrative trade at Canton and was far ahead of all other nations, not excluding Great Britain, in building the type of fast sailing ship that could be used to best advantage in the China seas. In 1844 the United States acquired California and this immediately opened up the prospect of direct trade across the Pacific without the necessity of sailing round Cape Horn. It was deemed to be essential, therefore, that American ships should be able to call at friendly ports in Japan, and Perry was sent on a mission to force the Japanese to be friendly.

The appearance of American warships off Uraga caused a terrible panic, but the Administration was certainly not taken by surprise. Japanese officials were well informed as to what was happening in the world outside. They had watched the growth of the British Empire in India and the extension of British rule to Singapore, and they had followed the course

of events by which China was forced to enter into treaty relations with western powers. Many Japanese realised that aggression could not be averted by a policy of seclusion, and the more ardent spirits among them chafed under self-imposed restrictions by which Japan was prevented from taking any part in the great movements going on in the world outside, and from thus fulfilling what they believed to be her manifest destiny. The hero of this school of thought was Hideyoshi, the second of the three great leaders in the sixteenth century. His seven years' campaign in Korea—known in Japanese history as the Dragon-Head-Snake-Tail campaign—was a failure, but his dream of empire and his conception of manifest destiny were never forgotten. They took possession of men's minds at the beginning of the nineteenth century, and the "Co-Prosperity Sphere," which Japan set out to conquer in the twentieth century, was the goal of Japanese policy from the day that she emerged from her seclusion. If the doors had not been forced by Perry in 1853, they would almost certainly have been burst open from within.

There were three schools of thought in Japan: those who wanted to maintain seclusion and drive the barbarians away, those who wanted to drive them away as a prelude to beginning the conquest of an empire, and those who thought that manifest destiny could best be achieved in the fullness of time by ending seclusion, entering into normal relations with foreign countries, learning the secrets of their power and acquiring wealth through foreign trade. It was the latter school that prevailed, but—as in China—there was a period of conflict, lasting about a decade, before the policy of admitting the foreigner was accepted by the nation at large. It was a turbulent decade marked by attacks on foreign shipping by powerful feudatories who refused to accept the government's policy, by political assassinations and by murderous assaults on foreigners, but the judicious use of force had a wonderful effect in calming the excitement. After the British Navy had bombarded Kagoshima in 1863 and the British, Dutch and French had bombarded Shimonoseki in 1864 the clans began to realise that there was in fact no

alternative to the Shogun's policy of entering into treaty relations with foreign powers. But the unpopularity which the Shogunate incurred and the deep discredit into which it fell through its failure to hold its own with foreign nations paved the way for the restoration of the Emperor—the Meiji restoration, as it is called, which took place in 1868.

The Meiji restoration and the abolition of feudalism were not a sudden or unexpected development. In Japan actual power is seldom exercised by the titular holder of any post, but generally by some person or group of persons who remain in the background. Especially was this the case with the Emperor. The ceremonial and sacerdotal duties attaching to his office were so burdensome that he had to be relieved of the task of ruling over the warlike feudal chiefs among whom the land was divided. This task fell into the hands of the Commanding General—the Shogun—and the office of Shogun became hereditary in one or other of the great feudal families that at various periods of Japanese history succeeded in grasping supreme power. Sometimes the Emperor was all but forgotten and sometimes he was reduced to extreme poverty, but through all vicissitudes he retained his priestly character and in some dim remote fashion remained an object of veneration to the people at large as well as to the feudal chiefs who usurped or defied his authority.

When the civil wars at length subsided at the end of the sixteenth century, the Tokugawa clan, under their great leader Iyeyasu, remained in supreme control. Iyeyasu became Shogun in 1603 and devised the system under which the Tokugawa Shogunate governed Japan until 1868. The Emperor was confined strictly to his palace in Kyoto which was closely guarded by the Shogun's troops. He was unapproachable by any but Court nobles and his only functions were those that attached to his sacerdotal office. The Shogun's capital was at Yedo, now called Tokyo, and an ingenious method was devised for preventing the feudal lords—the Daimyos—from rebelling against the Shogun or from waging war on each other. They were not allowed to remain too long at a time on their estates, but were compelled to visit

Yedo each alternate year, and their wives and younger children under age, whom they were compelled to leave in Yedo, served as hostages for their lords' behaviour. The Daimyos' processions on their journeys to and from Yedo were a great feature of life in old Japan, but the Daimyos were not allowed to enter Kyoto although the procession might pass its gates.

Culture all but perished during the civil wars, but from the beginning of the seventeenth century for a period of two hundred and fifty years Japan enjoyed internal peace. Though the feudal nobles were allowed to maintain their following of soldiers they were not allowed to employ them in waging war. The talents of the nation were diverted to the arts of administration. The fiefs were well governed during the Tokugawa régime, and when the feudal system was abolished the Daimyos' retainers provided a reservoir of able men from whom a civil service was recruited for the national administration set up after 1868. In spite of internal peace, however, the Shogunate in course of time began to weaken. The system devised by Iyeyasu had for its express purpose the maintenance of the domination of the Tokugawas over all the other clans. The aim of the seclusion policy was to ensure that powerful clans like Satsuma or Choshu should not acquire through foreign trade the means to challenge the Tokugawa, but it gradually became apparent that this aim had been achieved at the cost of impoverishing the nation as a whole. When the news of England's conquests in India and Napoleon's campaigns in Europe filtered through to Japan, resentment was deepened and the thoughts of the Samurai turned once more to the empire which Hideyoshi had set out to conquer. Nationalism also took the form of a revival of Shinto—a primitive form of nature worship combined with an equally primitive cult of domestic and tribal ancestors. Enthusiasts discovered that the Emperor was not receiving the veneration that was his due, and gradually the Emperor became the rallying point for all who were discontented with the Shogun's rule.

It so happened that the three Shoguns who governed Japan from 1837 to 1866 were all nonentities. Their government

fell into discredit from its inability to resist American pressure, and as the Shogun's prestige declined, that of the Emperor rose. Gradually the Emperor began to exercise authority and issue decrees in state affairs. In 1863 he actually summoned the Shogun to appear before him at Kyoto, and the Shogun obeyed the summons. After the bombardment of Shimonoseki in 1864 events moved rapidly. The clans now realised that the foreigner could not be driven away. They accepted the idea of intercourse with western nations, but they also realised that unless a strong central government were set up on the European model, able to develop and control the industrial and military resources of the nation, Japan would share the humiliating fate that had just befallen China.

It was clear that no such government could be expected from the weak and discredited Shogunate. During these critical years the Shogun was a boy who had succeeded at the age of twelve in 1858 and died at the age of twenty in 1866. The tide was setting so strongly by this time in the direction of the Emperor that it was very difficult to find anyone willing to assume the office of Shogun. At length a certain Hitotsubashi, a very able member of the Tokugawa clan, became Shogun and immediately began a thorough reorganisation of the army and navy on European models. In the following year, 1867, the Emperor died and was succeeded by Meiji, a boy of fifteen, and a year later, 1868, Hitotsubashi resigned and restored the administration to the Emperor. In 1869 the heads of the four chief clans surrendered their fiefs to the Emperor, and their example was soon followed by the others. Territorial nobles ceased to rule their domains and accepted Ministerial office in the central government instead, the Daimyo and the Samurai surrendered their privileges, a conscription law made every male adult liable to military service irrespective of social status, and in less than ten years the administration had been remodelled and the feudal system swept away.

Japan at this time produced no outstanding leaders comparable to the heroes of the sixteenth century, Nobunaga,

Hideyoshi and Iyeyasu, but among the feudal nobles there was an extraordinary galaxy of brilliant men, and it was a powerful inner group of these who, acting in agreement behind the scenes, effected the Meiji restoration, the abolition of feudalism and the transformation of Japan's traditional institutions. These changes were carried through with great ability and were accepted with very little opposition even by the large sections of the people who suffered in purse or status. The people of Japan and their leaders gave a demonstration of patriotism and self-sacrifice which has had no parallel in any country in the world.

The admiration inspired by this great achievement diverted attention from the menacing character of the new regime that took the place of the feudal institutions of old Japan. On the surface it seemed as if Japan was assiduously copying the ideas and institutions of western civilisation just as for twelve hundred years she had copied those of China ; but just in the same way as Confucianism was perverted to ugly uses when transplanted to Japanese soil, so now it was a parody of western institutions that was paraded before the eyes of a too credulous world.

The oligarchs who charted the course of the Restoration did everything possible to "build up" the Emperor as a great national leader ; and at the same time they took measures to ensure that the control of national policy remained in the hands of the leaders behind the scenes, and that the support of the people should be forthcoming for a policy of manifest destiny. The constitution they imposed on Japan provided that the Minister for War and the Minister for the Navy should be a General and an Admiral respectively both on the active list. They could not accept office without the consent of the General Staff, and having accepted office they had the right of direct access to the Emperor over the heads of the Prime Minister and the Cabinet. No Cabinet, therefore, could be formed or continue to function without the approval of the General Staff, and this ensured that national policy was dictated by the General Staff, acting always, of course, in the name, and with the authority, of the Emperor.

Great emphasis was laid on the divine ancestry of the Emperor, and certain tribal myths were furbished up and ordered to be taught as authentic history in schools and universities. The Emperor, it was declared, was descended in one unbroken line from Jimmu, the first Emperor, born in 711 B.C. Everyone knew this was untrue, but it had to be believed as an article of faith. Jimmu was descended from the gods. The sun-goddess, Amaterasu, sent her grandson down to the earth, and his grandson was Jimmu. The god and goddess who had given birth to Amaterasu also gave birth to eight islands which later coalesced and became Japan, while the rest of the land surface of the globe was merely mud and scum in the sea which solidified and became land. This nonsense was taught as authentic history, and any professor who cast doubt on it or who deviated by a hair's breadth was dismissed, and might indeed have to commit *harakiri*. The educational system was placed under rigid government control, extending to schools, text-books and teachers, with the aim of creating a machine for the mass production of the desired type of citizen. Every Japanese child was taught to believe in a divine race, a divine land, and a divine Emperor. It was the mission of the Yamato race to spread the blessings of Kodo—the rule of the divine Emperor—over all neighbouring lands.

The Japanese people responded eagerly to this propaganda. They had never forgotten the exploits and the ambitions of the great national hero, Hideyoshi, in the sixteenth century, and they were very ready to believe that Japan was called by manifest destiny to carve out an empire in Asia with the sword. The government's chief difficulty was to restrain the Samurai, and to avoid being hurried into a foreign war before the armed forces and the new system of administration were ready for the task. In 1874 a dispute broke out with China over Formosa and the government, in spite of fierce anger which later broke out into a revolt, agreed to settle the matter for a money indemnity. This was the only serious opposition with which the government had to cope. The task of modernisation was carried smoothly and steadily forward for



another twenty years until the time arrived for launching the attack on China in 1894. Japan was by no means ready for conquest on the grand scale, but the attack on China could no longer be delayed because Japan herself was menaced by the rapid advance of Russia through Siberia to the Amur and the Pacific, and it was a matter of extreme urgency to forestall Russian designs on Manchuria and Korea.

The nations of western Europe reached the Far East by sea, but the expansion of Russia into Asia was effected by land. The Cossacks began spilling over the Urals at the end of the sixteenth century, about the time that England was defeating the Armada and Hideyoshi was invading Korea. They found a vast empty land. In the whole of Siberia from the Urals to the Pacific Ocean there were perhaps some two million people among whom no settled government had been organised. The hunters and trappers who formed the spear-head of the Russian occupation advanced with extraordinary speed, and in about sixty years the first Russian settlements were established on the shores of the Pacific. The Cossacks naturally followed the line of least resistance. They kept away from the settled and more densely inhabited regions to the south, and the government at St. Petersburg was most anxious to avoid any sort of clash with China, then under the rule of the powerful Manchu Dynasty. Contact could not be avoided, but in due course the problems of trade and intercourse were satisfactorily settled by the Treaty of Nerchinsk in 1689. The Chinese ambassadors sent for this purpose had the assistance of two Jesuit priests from Peking, and none of the difficulties were encountered that later embittered China's relations with the west at Canton.

This treaty fixed the boundary between the two empires at the watershed north of the Amur river, and nothing very much happened until the middle of the nineteenth century, when the Russians began to hanker after access to the Amur in order to improve communication between European Russia and their possessions on the Pacific. The great days of the Manchu Empire had passed away, and the Russian empire builders found they had an easy task. Count Muravieff

was appointed Governor-General of Eastern Siberia in 1847, and his attention was immediately directed eastward to the Sea of Okhotsk, where Americans and others were carrying on a profitable whaling industry, and southward to the regions beyond the Amur River, where China's grip appeared to be relaxing. He began by sending exploring expeditions down the Amur, and then, when the Crimean War broke out, and it became a matter of great urgency to send arms and supplies to the Russian settlements on the Pacific, the expeditions became military expeditions despite the protests of the Chinese Government. From 1856 to 1860 China was in serious difficulties with the western powers. There were hostilities at Canton and Tientsin; a treaty was signed under great pressure at Tientsin in 1858, and two years later, in 1860, the Emperor fled to Jehol while French and British armies fought their way to Peking and occupied the capital in order to secure a final settlement of all points in dispute.

Russia made skilful use of China's difficulties. The Treaty of Aigun, signed in 1858, ceded to Russia the left bank of the Amur, which thus became the boundary between the two empires and granted to Russian subjects rights of navigation on the river. In 1860 a Russian plenipotentiary appeared upon the scene in Peking, and by acting the part of the honest broker between the frightened and bewildered Chinese officials on the one side, and the French and British plenipotentiaries on the other he succeeded in securing from the degenerate descendants of K'ang Hsi and Ch'ien Lung the cession of the Primorsk, or Maritime Province—a vast region lying between the Ussuri and the sea and extending from the mouth of the Amur River to the northern border of Korea. The city of Vladivostok was founded in the same year, 1860, at the southernmost point of the Primorsk on the borders of Korea, and plans were immediately taken into consideration for the construction of a railway linking Vladivostok with St. Petersburg.

The actual construction of the Trans-Siberian Railway was not taken in hand until thirty years later, but Japan had good reason to fear the consequences of the great alteration in the

balance of power the completion of the railway would bring about, for during these thirty years Russian designs upon Manchuria and Korea formed the background to all political developments in the Far East. For centuries Korea had been vassal to China and both Courts fully recognised the reciprocal obligation by which the one gave protection against external aggression and internal disorder and the other paid tribute and solicited recognition and investiture for each new ruler.<sup>47</sup> Up to the last quarter of the nineteenth century Korea was still the "Hermit Kingdom" and declined intercourse of any kind with western nations. In 1871 the United States conceived the idea of compelling Korea, as she had compelled Japan, to open her doors to foreign intercourse and foreign trade, and a squadron of warships was despatched to Kianghwa for that purpose. The squadron's surveying vessels were fired on from the shore, and the King of Korea, in reply to the American Envoy's communication, referred him to the Board of Rites in Peking and at the same time implored his suzerain, the Manchu Emperor, to issue a special edict to exhort and instruct the envoy that a vassal must not have relations with a foreign State. The high authorities in Peking, however, from first to last, seemed to have no aim but to shuffle out of their responsibilities towards their vassal. The squadron avenged the insult to the American flag by destroying, at trifling loss to themselves, five forts, mounting four hundred and thirty-one guns and killing two hundred and fifty Korean soldiers, but, as the American Commander ruefully reported, the "demonstration produced no effect upon negotiations," and the squadron had no option but to withdraw. "If America goes no further in the matter," wrote Sir Robert Hart, "Korea will ripen like a pear and then drop into the jaws of Russia." This example, however, of China's attitude towards her vassal States was not lost on the Japanese and it was Japan, not Russia, who made the next move.

In 1876 Japan imposed on the reluctant King of Korea a treaty which recognised Korea as being an independent state, and the Chinese Government, considering that "poison must be met by antidote," then actually encouraged Korea to enter

into treaty relations with America and with all the principal powers of Europe. When it was too late a belated attempt was made to recover the ground that had been lost. In 1883, Yuan Shih-k'ai, who afterwards became President of the Chinese Republic on the abdication of the Manchu Dynasty, was sent to Seoul as Chinese Resident. He was a man of outstanding ability and force of character, but it was beyond even his powers to "ride in the whirlwind and direct the storm" that was soon to break over the Land of the Morning Calm. For more than a decade Korea was the scene of faction fights and riots, and the Japanese, who were the chief objects of Korean xenophobia, took advantage of the disturbed state of the country to strengthen their hold and to weaken the suzerain-vassal relationship with China. In this they were unwittingly helped by America whose policy was dictated by a sentimental desire to help the Koreans to achieve independence of China. Sir Robert Hart, a wise and shrewd observer of the contemporary scene, had no doubt whither this would lead. "There is as little logic," he wrote to a friend, "in the one word independence without the rest of the syllogism as there is religion in 'that blessed word Mesopotamia' without the etceteras." It was clear that Korea could only become independent of China by falling under the protectorate of a foreign power—Russia or Japan—and in order to save her from Japan one of the King's foreign advisers conceived the foolish idea of persuading him to sign an agreement in 1885 which allowed Russia to occupy Port Lazareff and to lend officers to train the Korean army. This aroused such a storm that Russia judged it wiser to allow the convention to be denounced and for a time her ambitions in Korea appeared to be in abeyance while China and Japan were left manœuvring for position.

The general direction of Russian pressure, however, continued to be southward towards Korea and north China, and it was evident that railways were the instrument by which she planned to dominate this whole region. In 1890 she vigorously opposed the extension into South Manchuria of the Imperial Railways of North China, which had been built

with the aid of British capital and British engineers, and in 1891 the Tsarevitch performed the ceremony of cutting the first sod of the Trans-Siberian railway. Construction of the railway was pushed forward vigorously from both ends of the line and by 1894 it had been carried from the Urals as far as the western shore of Lake Baikal. The future control of Korea then became a matter of vital interest for Japan. If Russia added Korea to the Primorsk, Manchuria would be almost completely encircled by Russian territory and the shores of Japan would be dominated by a great European power. Japan therefore judged it prudent to forestall Russia before the railway link with Vladivostok was completed. Very conveniently for her purpose a nationalist rebellion broke out in Korea—the Tonghak rebellion—and China and Japan each sent troops to restore order and to protect their national interests. This was in accordance with an agreement reached between the two countries some years before. China sent three thousand men, Japan eighteen thousand, and though the Korean Government suppressed the rebellion without foreign aid the troops remained. From the beginning the Japanese soldiers assumed the attitude of conquerors and the inevitable climax came on July 23rd, 1894. The Japanese forces broke into and took possession of the royal palace, seized and carried off the Queen and her children, and appointed an eighty-year-old member of the royal family as Regent. The puppet Regent declared war on his suzerain, the Manchu Emperor at Peking, and called upon the Japanese to expel the Chinese forces from Korea.

That was the beginning of the first Sino-Japanese war of 1894. It was in almost equal measure a war of self preservation and a war of national aggrandizement, but unfortunately the latter aspect of the Japanese attack on China was not immediately apparent to the people of either Europe or America. The scope of Japan's ambitions and the menace they constituted to world peace began to be realised about a decade later, in 1905, after her victory in the Russo-Japanese war, and they only came fully into the open in 1915 after the outbreak of the first World War.

## CHAPTER SIX

### *The Chinese Revolution*

Results of Japanese victory over China—Russia predominant in Korea—Battle of the Concessions—naval bases and leased territories—triple intervention forces retrocession of Liaotung peninsula—France and Russia claim reward—Russo-Chinese secret alliance—Chinese Eastern Railway—Dalny and Port Arthur—South Manchuria Railway—Russia takes possession of Manchuria 1900—Franco-Russian scheme—domination by railways and control of finances—attempt to oust British influence from Customs administration—Britain's power at end of nineteenth century—Lord Salisbury's approach to Russia and America fails—partners in triple intervention fall apart—British and German banks make loans to pay war indemnity—Britain powerless to check Russia in central Asia—Lord Salisbury saves Yangtze valley by exchange of notes with China—nationalist movement—reform decrees of 1898—reactionaries and siege of Legations in 1900—Boxer Protocol 1901—reform movement spreads from Canton—China homogeneous and closely integrated—no sense of nationhood—impact of new forces in nineteenth century—failure and humiliation—Sun Yat-sen—Nationalism, Democracy, Socialism—idea of central government conflicts with traditional conceptions—Chinese system of government—devolution of responsibility—enthusiasm for western learning—nationalism causes changed attitude towards Mongolia and Tibet—Tibet a tributary but enjoys autonomy—Ghurka invasion 1791—suspicions of England revived by Lhasa expedition 1904—India's unreasoning fear of Russia—bad results of Lhasa expedition—China's diplomacy successful—imperialistic policy of Chao Erh feng—Tibet becomes a Chinese province—Chinese revolution 1912—Tibet recovers autonomy—Mongol Empire founded by Genghiz Khan—Yuan Dynasty in China—decline of Mongols—pressed back by Chinese immigrants—rise of Manchus—Emperors at Mukden recognised as successors to Genghiz Khan—establish Manchu Dynasty in China—Mongols as allies not subjects—Manchu Empire becomes Chinese—Russian menace looms up—restrictions on Chinese immigration relaxed—Outer Mongolia protected by Gobi desert—Chinese colonists and administration introduced in 1907—Lamaism the link between Mongolia and Tibet—Mongols appeal to Russia—Russian protest disregarded—Chinese revolution—autonomous government set up in Urga—tripartite agreement recognises Mongolian autonomy and Chinese suzerainty—similar development in relations between central government and provinces—strong central government needed but hostility to Manchus causes nationalists to support provincial autonomy—revolution caused by attempt to nationalise railways—Peking-Hankow-Canton trunk lines—Franco-Russian scheme checked by Lord Salisbury—concession for Canton-Hankow railway given to Americans—Belgians secure control—concession bought back by China—movement to employ native capital only—great enthusiasm but no results—Chinese government turns to foreign Consortium for Canton-Hankow railway—Hukuang agreement signed 1909—American Big Business—Dollar diplomacy—Taft revives Battle of Concessions—new Hukuang agreement signed 1911—Edict nationalises trunk railways—furious opposition—the "Railway Conservation League"—local rebellions merge in revolution—Sun Yat-sen elected Provisional President—Manchu Dynasty abdicates—Sun resigns in favour of Yuan Shih-k'ai—civil wars—China a bait for Japanese ambitions—Japan launched on career of aggression by Anglo-Japanese Alliance

*Japan reaped little advantage* from her easy victory over China. Chinese influence was eliminated from Korea only to be replaced by that of Russia, while in the Pacific region generally Japan found that her ultimate—though as yet secret—ambitions were threatened not only by Russia but by the nations of all Europe whose predatory instincts were aroused by the sight of China apparently in dissolution. Europe had only recently been engaged in a scramble for the partition of Africa and the anticipated break up of China led to a similar and more unseemly scramble which has gone down in history under the name of the Battle of the Concessions. From 1895 to 1900 there was a succession of furious disputes over loans and railway concessions. If one power bullied and threatened China into granting a railway concession another power would bully and threaten her into granting another concession as “compensation” or in order to restore the balance of power. Germany seized Kiaochow, whereupon Russia demanded and obtained a lease of Port Arthur to which England replied by obtaining a lease of Weihaiwei. France then secured Kwangchowwan and England replied again by obtaining a lease of Kowloon, the territory on the mainland adjoining Hongkong. Russia obtained a grant of prior rights, commonly called a sphere of influence, in Manchuria, Germany a sphere of influence in Shantung and France a sphere in the south-western provinces adjoining Indo-China. The prologue to this European drama played upon the Chinese stage was the triple intervention of Russia, France and Germany for the purpose of depriving Japan of part of the fruits of her victory. The Japanese Government, who had great difficulty in restraining their military element within the bounds of moderation, included in the terms imposed on China the cession of the Liaotung peninsula, the southernmost tip of Manchuria, on which were situated both Dalny and Port Arthur. The three European powers insisted that Japan should retrocede Liaotung and accept a money indemnity instead. When this had been duly agreed to, France and Russia proceeded to claim their reward for befriending China. France was first off the mark with two conventions which gave

her prior rights of exploitation of the mines in Yunnan, Kwangsi and Kwangtung. France thus has the doubtful honour of starting the Battle of the Concessions which raged with little intermission for the next five years.

French mining rights and railway concessions in the south-west provinces never became of much importance, but Russian policy, more subtle and more realistic, had far-reaching consequences. Adopting the same technique that had served her so well in 1860, Russia posed as the friend of China. Professing to be anxious to save her from Japanese aggression, she persuaded China to sign a secret treaty of alliance in which the right was granted to carry the Trans-Siberian railway straight across Manchuria from Nerchinsk to Vladivostok, thus saving the great northward curve of the Amur and Ussuri rivers. This section of the Trans-Siberian was named the Chinese Eastern Railway. Two years later Russia obtained the lease of Liaotung, from which Japan had been forced to withdraw, and she also obtained permission to connect Dalny and Port Arthur, at the tip of the Liaotung peninsula, with the Chinese Eastern Railway at Harbin by another railway which subsequently received the name of the South Manchuria Railway. Two years later still the Boxer rebellion broke out, Peking was occupied by foreign troops and in the general breakdown of Chinese authority Russia seized her opportunity and took military possession of the whole of Manchuria.

The Chinese were persuaded to grant the concession for the Chinese Eastern Railway by the argument that, if Japan resumed aggression in Manchuria, Russia would be able to transport troops to the place of danger where China needed help with the least possible delay. In fact, the concession for this railway was part of a deep-laid Franco-Russian scheme for obtaining in partnership a dominating influence over China as a whole. Russia from the north and France from the south-west planned to obtain concessions for railways penetrating to the heart of China and meeting on the Yangtse at Hankow, eight hundred miles from the sea. They also planned to obtain control of China's finances by means of



loans for the purpose of paying the Japanese indemnity. These were to be secured upon the Customs revenue, and Sir Robert Hart, who had been Inspector-General of the Imperial Maritime Customs Administration for nearly forty years, was to be dismissed and a Russian appointed in his place. The Franco-Russian scheme was an attack upon Britain's predominant position in the Far East and a challenge to the principle of the open door and equal opportunity which Britain had sought to maintain ever since the beginning of treaty relations between China and the west sixty years before. The partition of China into spheres of influence would mean that large areas would be closed to British enterprise. It suited British interests better, therefore, that the whole of China should be kept open on equal terms to the trade and enterprise of all the world.

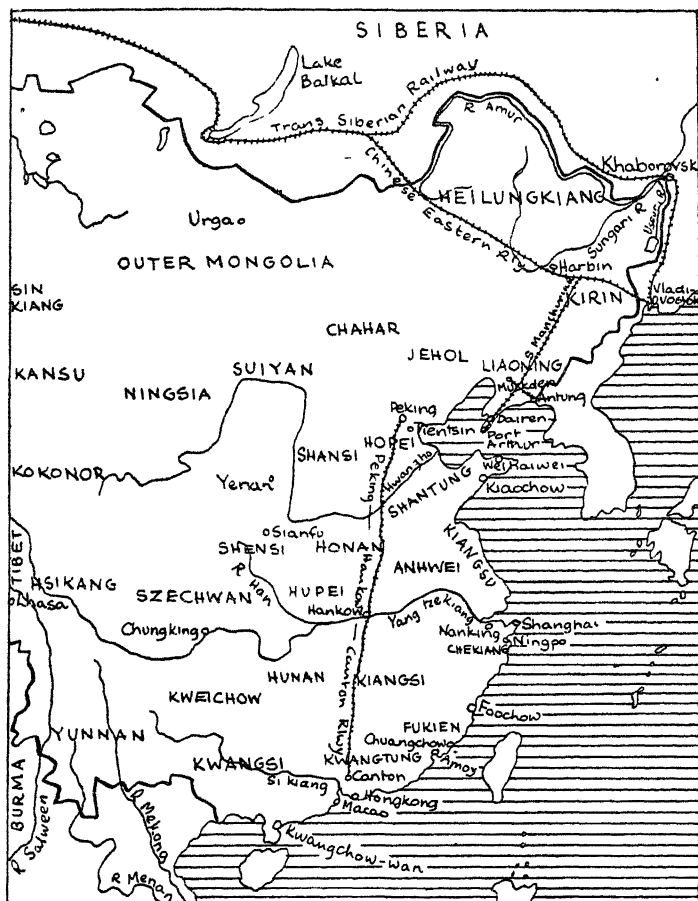
At the end of the nineteenth century England had attained, as Professor Carr has pointed out, a position of greater wealth, power and influence than had been possessed by any single state since the fall of the Roman Empire. Free trade and a liberal policy gave her a flying start in the industrial revolution and by 1898 her navy was reaping the benefit of the two-power standard adopted in 1889. She had a fleet of thirty-four battleships, all less than ten years old, and her navy was stronger than the combined navies of the whole of Europe. In the Far East she was supreme at sea, but warships could do little to preserve the integrity of China in the regions of central Asia where the frontier between China and Russia ran. Lord Salisbury was both Prime Minister and Foreign Secretary. He endeavoured to meet the crisis first by trying to reach some basis of friendly co-operation with Russia and then by trying to enlist the support of America in defence of the open door. He failed in both cases. It was just as difficult to establish relations of trust and friendship with Russia fifty years ago as it is today, and it was just as difficult then as it is now to draw America out of her traditional isolationism and to exorcise her unreasoning suspicions of Great Britain. The State Department's reply to Lord Salisbury's overture early in 1898 was to the effect that

American commerce did not appear to be threatened by the seizure of Kiaochow and Port Arthur and that the United States preferred to avoid "interference or connection with European complications." Lord Salisbury was thus thrown back on his own resources for the defence both of British interests and of the principle of the open door, and the considerable measure of success that attended his efforts must be attributed mainly to the massive wisdom which he brought to the conduct of affairs, but also in part to the lack of principle and the mutual suspicions that formed the European background to the Battle of the Concessions in China.

Mr. Spender has described how the League of the Three Emperors, the Dual Alliance and the Triple Alliance, running side by side, created a "network of secret, conflicting and almost unintelligible obligations of which none could see the value or even the interpretation if they became operative."<sup>48</sup> Whether this was the consequence of the lack of all ethical standards in the public life of Europe it would be difficult to say, but it would not be difficult to multiply instances of the instability that characterised all combinations of European powers for whatever purpose they were formed. The combination of Russia, France and Germany—the authors of the triple intervention of 1895—was one that was particularly unlikely to prove durable. After Japan had yielded to the "advice" to accept a money indemnity in lieu of a cession of territory in Manchuria, France and Russia, without consulting Germany, proceeded with their plan for obtaining a financial stranglehold over China. The Chinese, instead of paying off the Japanese indemnity over a period of years out of current revenue, as advised by Sir Robert Hart, were persuaded to raise foreign loans secured on the Customs revenues for this purpose. Three loans of sixteen millions sterling each were required. The first of these loans (Fcs. 400,000,000) was made by France and Russia, and the first little rift in the Franco-Russian lute took the form of French discontent with the enormous flotation profits made by the Russian banks. Germany, left out in the cold by her partners in the intervention, began to realise that the liberal policy of Britain

might be more favourable to German interests than the domination of France and Russia. The second loan for sixteen million pounds was accordingly made by a consortium of German and British banks and in the third and last loan for a like amount France and Russia were again defeated. Russia's terms were that the loan was to be secured on the land tax and that Sir Robert Hart should be replaced by a Russian as Inspector-General of the Maritime Customs Administration. After disputes which rivalled in violence and acrimony the international quarrels of more recent times, but which had the advantage of being conducted behind a decent veil of privacy, the loan was made, not by any government, but by the German and British banks. China was thus saved from a Franco-Russian hegemony and a beginning was made with the policy of substituting co-operation for the previous competitive scramble for concessions and spheres of influence.

The question of domination by means of railways presented greater difficulties. The French railways in the south-west were not important, but the railways across Manchuria—east to west from Nerchinsk to Vladivostok and north to south from Harbin to Port Arthur, owned and operated by what was in effect the Russian Government in disguise—were a much more serious problem. However powerful Britain might be at sea there was little she could do in Manchuria and central Asia generally to counteract the overwhelming pressure Russia was able to bring to bear upon the timid government at Peking once the Siberian railway had established communication between St. Petersburg and the Pacific. If Russia obtained political control over Manchuria and excluded the enterprise of other countries Britain could not stop it. But these considerations did not apply to the Yangtse valley and its hinterland where British interests were mainly concentrated. In Manchuria the trade which Russia monopolised would be largely new trade created by the railways she herself had built, but in the Yangtse valley there was an enormous trade built up by British enterprise and Lord Salisbury was determined that British enterprise should not be excluded from this region by the policy of railway pene-



China

After the revolution of 1911, Inner Mongolia was divided into the Four Provinces, Ningsia, Chahar, Suiyuan, and Jehol. Some years later Jehol was transferred to Manchuria, the Chinese name for which was then changed from The Three Eastern Provinces to the Four North Eastern Provinces.

tration pursued by France and Russia. The problem was an urgent one because a Belgian syndicate was negotiating for a concession for a railway from Peking to Hankow and it was known that Belgium was acting as a screen for France and Russia. The Chinese Government, accordingly, was notified officially that a concession granted to French or Russian interests was no longer an industrial or commercial enterprise but "a political movement against the British interests in the region of the Yangtse"; and while the seizure of naval bases and leased territories was in full swing the British Government publicly declared that it would not allow foreign powers to dot the coast of China with stations where they might discriminate against the trade of other countries; and this was followed up by an exchange of notes which safeguarded the position in the Yangtse valley and its hinterland. In these notes the Chinese Government acknowledged

the great importance that has always been attached by Great Britain to the retention in Chinese possession of the Yangtse region, now entirely hers, as providing security for the free course and development of trade and declared that it was

out of the question that territory in it should be mortgaged, leased or ceded to another power

In defending British interests Lord Salisbury incidentally prevented the fatal encroachment on China's sovereignty that might have taken place. Nevertheless the threat to China's integrity and national independence was sufficiently serious to rouse the Chinese from their century of lethargy and in the midst of the insults and humiliations heaped on China during the Battle of the Concessions a nationalist movement began under the leadership of Sun Yat-sen. The first abortive attempt at reform was made in 1898 when the youthful Emperor Kwang Hsu, whose mind never fully matured, fell under the influence of a scholar named K'ang Yu-wei—a visionary and enthusiast who had as little experience of administration and as little knowledge of the art of managing and persuading men as the Emperor himself. During a hundred days of reform a stream of edicts was poured out

from Peking—one hundred and thirty in all—purporting to effect fundamental changes in China's traditional system of government; but neither the Emperor nor K'ang Yu-wei had given any thought to the problem of the practical measures to be taken to put the reforms into operation. The decrees caused great disturbance and alarm and eventually the movement was abruptly checked by the Empress Dowager, a forceful old lady who had governed the Empire during the Emperor's minority. She stepped in, imprisoned the Emperor and took the reins into her own hands once more. The reformers were executed or banished, extreme reaction set in and the resentment caused by the bullying of the European powers found vent in a violent anti-foreign movement which culminated in the Boxer rising, massacres of foreigners and the siege of the Legations in Peking in the summer of 1900. This was the last convulsive effort of the Old Guard to stave off change and drive out the foreigner.

The madness of 1900 brought great disasters on China. The whole Manchu Court fled to Sian in the far north-west while Peking was occupied by the troops of half a dozen foreign powers—including America and Japan. The terms imposed on China in the final settlement—the Boxer Protocol of 1901—though not unduly punitive, deprived her of many of the attributes of a sovereign state. Her humiliation was complete, but the national consciousness had at last been roused and the demand for reform spread from Canton and the south to all the provinces of the Empire. For many centuries the Cantonese had been emigrating to foreign countries—to the south seas and later to Australia and California. The southern provinces generally had been more deeply affected than the conservative north by foreign influences and Canton had long been the centre where all radical and revolutionary movements had their origin. K'ang Yu-wei, who had tried to hurry the young Emperor along the path of constitutional reform, was a Cantonese. So also was Sun Yat-sen, the great leader of the nationalist movement, who is revered today as the Father of the Chinese Republic.

Sun Yat-sen realised that the downfall of China in the nineteenth century was due to the inability of the Chinese people to recognise any wider loyalties or greater unities than the family or the clan. At the beginning of the century China was still the acknowledged centre of a world made up of subordinate tribes and vassal kingdoms. In China Proper, south of the Great Wall, the Chinese people formed one great homogeneous and closely integrated society. They were united by the possession of a common culture, a way of life based on identity of thought and tradition, rather than by the binding force of political institutions. For a score or more of centuries Chinese civilisation never failed to exercise its transforming influence over all outer barbarians who were drawn within its orbit, and the Chinese people continued to dwell in their million village republics without ever thinking of themselves as a nation or feeling the need of the political institutions by means of which in other regions diverse peoples were organised into states and nations. Up to the end of the eighteenth century deserts, mountains, jungles and the sea formed a buffer between China and these nation-states, but during the nineteenth century these conditions rapidly passed away. The full impact of the new forces let loose by the industrial revolution fell upon China by land and sea at the moment when she had entered upon a period of decay and her ancient static cultural unity proved inadequate to cope with the problems of contact with the powerful and expanding nations of Europe. China failed to make the necessary adjustments to her new environment and by the end of the nineteenth century so serious had her position become that many people feared that the Battle of the Concessions might end in the partition of China. The crushing defeat by Japan in the war of 1894-95 made many Chinese realise the urgent need for reform and regeneration and the reform movement found its leader in Sun Yat-sen who had received part of his education in the British colony of Hong-kong.

Sun Yat-sen spent the whole of his adult life, from 1895, the year of the defeat by Japan, to 1925, the year of his death

from cancer in Peking, in preaching what he called the Three Principles of the People—the San Min Chu Yi—which are usually translated Nationalism, Democracy and Socialism. The term used by Sun for Nationalism connoted two distinct ideas—the idea of the sovereignty of China as an entity holding her own against other sovereign entities, and the idea of the sovereignty of the Chinese people by virtue of which the government of China should control dependencies, such as Mongolia and Tibet, as well as provincial and other subordinate administrations. Neither of these ideas could have found any place in Chinese political thinking until China had come into contact with the sovereign states of the west and had become conscious of her own existence as a separate sovereign entity. The second idea, in particular, that of an active dynamic central government controlling and directing subordinate organs of administration, was in conflict with the traditional Chinese conception of the social order. In the system of government which had existed without substantial change since the rise of civilisation on the North China plain centralised control was quite unknown. Mayers, who is a great authority on this subject, described the government of China in the nineteenth century in the following terms:

The central government of China, so far as a system of this nature is recognised in existing institutions, is arranged rather with the object of registering and checking the action of the provincial administrations than with that of assuming a direct initiative in the conduct of affairs . . . Regulations indeed of the most comprehensive character are on record for the guidance of every conceivable act of administering, and the principal function of the central government consists in watching over the execution of this system of rules. The bestowal of the higher appointments of the civil and military service and the distribution of the superior literary degrees as rewards for proficiency in the studies upon which the entire polity of the Empire is based comprise the remainder of the attributes reserved to the government established at Peking. The central government may be said to criticise, rather than control, the action of the



twenty-one provincial administrations wielding, however, at all times the power of immediate removal from his post of any official whose conduct may be found irregular or considered dangerous to the stability of the State.<sup>48a</sup>

In other words, devolution of responsibility from the Emperor downwards was applied throughout the administration of the Chinese Empire. In the west it is difficult to imagine a central government which does not assume a direct initiative in the conduct of affairs and which does not exercise control through the rule of law, but in China the doctrine of the devolution of responsibility took the place both of the rule of law and of direct initiative from above.

The first fruits of Sun's teaching were the enthusiasm for western learning that took possession of the people after 1900. When the Emperor and the Empress Dowager returned from their exile in Sian, the movement for reform was taken up again. The traditional system of education was modernised, the state examinations were abolished and thousands of students flocked abroad to study in foreign universities—chiefly in America and Japan. They returned filled with revolutionary ideas as well as with some first-hand knowledge of democratic and constitutional forms of government, and the influence of this stream of new ideas pouring in from foreign countries, combined with the teachings of Sun Yat-sen, was soon apparent in the new attitude which China took up towards her great dependencies, Mongolia and Tibet, and the new relationship that the central government at Peking attempted to establish with the various provincial administrations. The change may be described as one from benevolent supervision and exhortation to a determination to exercise direct initiative and control. It was this sudden change that was mainly responsible for the loss of Mongolia and Tibet and the long cycle of civil wars which were the immediate consequences of the revolution of 1912.

Tibet had been for many centuries a vassal of China, but, as was usual in China's relations with her tributary states, the Tibetans enjoyed complete autonomy in domestic affairs. In the eighteenth century China twice intervened to repel in-

vaders. The first occasion was in 1700 when the invaders were a tribe of Mongols. The second was a Ghurka invasion in 1791 which the Chinese were convinced had been instigated by the British in India. The Emperor Ch'ien Lung acted with great vigour. A Chinese army drove out the invaders and the Chinese hold on Tibet was tightened by the appointment of two Ambans<sup>4</sup> to Lhasa, one for political and one for military affairs. Lord Macartney, when he conducted his Mission to Peking in 1793, endeavoured without success to persuade Ch'ien Lung that the Gurkhas had not been egged on by the British. The old suspicions lingered on throughout the nineteenth century and flared up again when a British expedition entered Lhasa in 1904. By this time the duties of the two Ambans had become purely nominal and Tibet had become for all practical purposes an independent country, tightly sealed, and declining intercourse with foreign countries.

The boundary between Tibet and India runs for 2,000 miles along the crest of the Himalayas and in the country between Lhasa and the Indian border, which comprises the greater part of Tibet, the valleys are 15,000 feet above sea level and the land supports a population of one to the square mile. It is difficult to believe that any threat to India could develop in such a region across such a mountain barrier. Nevertheless, when Russian troops entered Manchuria in 1900 there were wild rumours about Russian designs upon Tibet and Lord Curzon, the Viceroy of India, deemed it desirable that the government at Lhasa should be compelled to enter into direct relations with India. Lord Lansdowne, who had succeeded Lord Salisbury as Foreign Secretary, reluctantly agreed that a mission with an armed escort should proceed to a place a few miles within the Tibetan border and there await developments. Five months later the mission, having been reinforced from India, became a military expedition which fought its way against ill-armed Tibetans to Lhasa in August 1904.

Great Britain's chief concern was the security of the Indian frontier: China's chief concern was the security of her own western frontier. Both China and Great Britain desired that

Tibet should remain sealed against the outer world, that Tibetan autonomy should be maintained and that Chinese suzerainty should be recognised, but unfortunately in authorising the Lhasa expedition the British Government adopted the one measure that was certain to make the attainment of these aims impossible. The expedition caused as great alarm to the Chinese Government as a Russian military expedition to Lhasa would have caused to the government of India ; and when the expedition reached Lhasa the British Government was faced with the problem of getting it out again and undoing the harm that had been done. Negotiations ensued in the course of which Chinese diplomacy won one of its most signal triumphs. A series of agreements was signed, the general effect of which was such as to enable the Chinese Government to represent to an appreciative public opinion that fear of Chinese displeasure had caused the British to withdraw their troops from Lhasa and that Great Britain had since been compelled to acknowledge China's right to control Tibet and to prohibit all intercourse between British and Tibetans except through the medium of the Chinese authorities.<sup>50</sup> Worse, however, was yet to follow.

Under the influence of the nationalist doctrines preached by Sun Yat-sen the humane and tolerant spirit characteristic of the Confucian tradition gave place to a determination to subdue and dominate. In great contrast with the spirit that inspired Ch'ien Lung's Tibetan policy in 1791 the Chinese Government, from 1904 onwards, pursued, ruthlessly and with great vigour, a policy of subjugation. While the British expedition was still in occupation of Lhasa an Imperial Resident was appointed in Eastern Tibet. The measures he adopted to curtail the powers of Tibetan rulers provoked a rebellion which was quelled with great severity by the Viceroy of Szechuen, the celebrated Chao Erh-feng, who was shortly afterwards appointed to the newly created post of Frontier Commissioner. Chao Erh-feng reversed the traditional Imperial policy of enlisting the influence of the Lama Church in support of Chinese authority. He destroyed monasteries, deposed or executed native rulers and Church dignitaries

and introduced the Chinese administrative system in their place. His policy was carried through with great severity and the common people suffered much at the hands of the Chinese soldiery, but his rule was honest and efficient and the Chinese magistrates he appointed won the respect of the Tibetans over whom they were placed. By 1911 Tibet had in effect been transformed into a province of the Chinese Empire, but on the outbreak of the revolution in the autumn of that year all that Chao Erh-feng had accomplished was undone. Chaos reigned in western China and Chao Erh-feng was treacherously executed by revolutionaries to whom he had surrendered. The Dalai Lama, who had fled to India, returned in state to Lhasa in January 1912 and Tibet regained her freedom and autonomy which she has succeeded in maintaining ever since.

Events in Outer Mongolia followed very nearly the same course as in Tibet. In the fourteenth century, China formed part of the great Mongol Empire founded by Genghiz Khan, whose name means universal lord. He united the nomad tribes and led them to the conquest of most of Asia and a large part of Europe. His grandson, Khublai Khan, whom we meet in the pages of Marco Polo, founded the Yuan Dynasty which ruled over China for nearly a century, but the fighting qualities of the Mongols were sapped by the Lama religion, and the invention of firearms robbed the Mongol horseman of his terrors. Their decline was accelerated by disease, and by the end of the fourteenth century the Mongol Empire disintegrated and the Yuan Dynasty was driven out of China by the native dynasty of the Ming. There was then a great resurgence of Chinese power. The nomads were driven off their pastures by the pressure of immigrant Chinese peasant farmers and Chinese administration was introduced into the southern districts of Manchuria adjoining the Great Wall. When the Ming Dynasty in turn decayed, the tribes of the steppe coalesced once more. A Manchu Emperor established his Court at Mukden in Manchuria and the tribes of Inner Mongolia handed over to him the seal of Genghiz Khan, thus recognising him as the lawful successor

of the universal lord. Three generations later the Mings were driven off the Dragon Throne at Peking and the Manchu Emperors moved in from Mukden and established a new Dynasty in China. The tribes of Outer Mongolia then also came within the Empire, but the Mongols of both Inner and Outer Mongolia always regarded themselves as the allies rather than the subjects of the Manchu Dynasty.

In course of time the Manchus were absorbed into the Chinese civilisation, the Manchu Empire became Chinese in character and both Mongolia and Tibet declined to the status of dependencies. The position of the Mongols declined still further when the menace of Russian expansion loomed up in the middle of the nineteenth century. In order to meet this threat the former prohibition of Chinese immigration into the regions north of the Great Wall was relaxed. At first the stream of immigration was directed towards Manchuria where the Mongols were pressed still further back off their pastures by the tremendous pressure of the land-hungry peasants of China.<sup>51</sup> Outer Mongolia was protected by the Gobi Desert and it was not until 1907 that the Chinese Government, under the influence of the new imperialism, made the first attempt to settle Chinese colonists in that region and to exercise direct control over the native administration. This roused bitter opposition among the Mongols who had watched with growing anxiety the subjugation of Tibet and Chao Erh-feng's attacks upon the Lama Church. The two chief dignitaries of the Lama Hierarchy were the Dalai Lama and the Panchen Lama of Tibet. The third in rank was the Hutuktu, the Living Buddha of Urga,<sup>52</sup> who had given shelter to the Dalai Lama when he fled before the British in 1904. The Lama religion thus formed a close link between Mongolia and Tibet, but the Mongols were more fortunate than the Tibetans, for in their resistance to Chinese encroachment they could look to Russia for support.

The boundary between Mongol and Russian territory is as long as, but less forbidding than, that between Tibet and India. It runs mostly through the level steppe and the nomad tribes were accustomed to pasture their flocks on both sides

of what to them was an imaginary line. Russia was therefore deeply concerned with political developments in Outer Mongolia and had considerable justification for intervening. In July 1911 a great meeting of Princes and Lamas was held at Urga to protest against the continued introduction of Chinese colonists and Chinese administration. A deputation of six leading Mongols was sent to St. Petersburg to seek for Russian intervention. The Russian Government entered a protest at Peking which was disregarded, and in September the Chinese Amban at Urga, seeking to check the movement of revolt by bringing military pressure to bear, placed a cordon of troops round the palace of the Hutuktu. A month later the revolution broke out in Peking and Chinese authority collapsed as rapidly and as completely in Outer Mongolia as in Tibet. An autonomous government was set up in Urga under the leadership of the Hutuktu and shortly afterwards a communique issued in St. Petersburg explained that both Chinese and Mongols had appealed to Russia for mediation and that Russia had advised a friendly settlement on the basis of an undertaking that no Chinese troops would be stationed in Outer Mongolia and that there would be no further attempts to introduce Chinese colonists or to impose Chinese administration. The Chinese Government eventually accepted a settlement on these lines and a tripartite agreement was signed in which China recognised the autonomy of Outer Mongolia and both Russia and the Mongols recognised the suzerainty of China over Outer Mongolia.

The loss of Mongolia and Tibet was one of the disastrous consequences that followed the growth of the new spirit of nationalism among the politically conscious section of the Chinese people. In China's relations with her dependencies nationalism very easily became imperialism and a similar transition in the relations between the provinces and the central government at Peking was followed by equally unhappy consequences. The aim of the nationalist movement was to transform China into a modern state capable of defending herself against such humiliations as were inflicted on her during the Battle of the Concessions, and without a

strong central government this aim could not be achieved. Many disasters might have been averted had it been possible to avoid a revolution and transform the Empire into some form of constitutional government, but in view of the corruption and ineptitude of the Manchu Dynasty any such solution was found to be impossible. Sun Yat-sen blamed the Manchu Dynasty for all the misfortunes that had befallen China. One of the main reasons, according to him, why a sense of nationalism had never been developed was that the Emperors had won over to the service of the government the educated elite who have always been the natural leaders of the nation. Loyalty to the Emperor was thus a betrayal of China and expulsion of the Manchus became the immediate objective of the nationalist movement. Hostility to the Manchus, however, involved resistance to the central government and this led to the paradoxical result that, though the fundamental aim of the nationalist movement was to create a strong central government, the extreme or radical wing of the movement became the most uncompromising supporters of decentralisation and provincial autonomy. Attempts by the central government at Peking to control the administration caused as violent a reaction in the provinces as in Mongolia and Tibet. The immediate cause of the revolution was not the mishandling of the nation's affairs. From 1895 onwards Sun Yat-sen organised no fewer than a dozen armed risings all of which were easily suppressed. The dynasty did not fall until it tried to give effect to the wholly sensible proposal that trunk lines traversing several provinces should be built by the central government leaving only branch lines to provincial enterprise.

The control of the great trunk railways from Peking to Hankow and from Hankow to Canton had been the great objective of the Franco-Russian scheme for the domination of China by means of railway penetration. Lord Salisbury's veto played a large part in the defeat of the scheme during the Battle of the Concessions, but a Belgian syndicate, acting as cover for France and Russia, remained in the field and the Chinese Government was aware that the danger was by no

means past The concession for the Canton-Hankow railway was accordingly granted to American interests—the American China Development Company—for the express purpose of excluding Belgian interests from any share in the enterprise. The Chinese felt that they had nothing to fear from American imperialism, but they had yet to learn the danger that might lurk in the inefficiency of Big Business operating in the unfamiliar field of foreign loans and concessions. In 1903 it was discovered that the Belgians had gained control by quietly buying up the shares of the American company. This gave rise to prolonged and acrimonious disputes which were only finally resolved when the Chinese Government bought back the original concession for six and three quarter million gold dollars—more than double what the American company had spent.

The recovery of this concession even at the price the Chinese Government had to pay was hailed with great enthusiasm all over China. It was regarded as a victory for nationalism over foreign economic domination and it greatly stimulated the movement for employing only native capital for the building of China's railways. Unfortunately, however, the movement was directed into local and provincial rather than into national channels. The construction of the Canton-Hankow railway was entrusted to the three provinces through which it ran, almost every other province started ambitious railway projects of its own and private companies were also formed for the same purpose with funds subscribed by the gentry and literati. Five years later it was found that all this enthusiasm had resulted in only a few score miles of railway being built and the Chinese Government then turned once more to foreigners to raise the capital required for the completion of the Canton-Hankow railway. Only a decade earlier railways were the chief instrument of the imperialist designs of powers like France and Russia and the disputes over railway concessions had threatened to disrupt the Empire. It was with a view to averting these dangers that a Consortium of British and German banks had been formed in 1895. They were later joined by a group of French banks



and the Consortium idea, which aimed at substituting co-operation for competition, was generally accepted as providing a satisfactory safeguard against the dangers menacing the integrity of China. The Chinese Government accordingly approached the Anglo-German-French Consortium and a preliminary loan agreement for the construction of a group of trunk lines known as the Hukuang Railways, which included the Canton-Hankow railway, was signed in 1909.

At this stage American Big Business, which had been bought out at a handsome price four years before, intervened once more and demanded a share of the loan. The responsibility for this action, however, rests not on the shoulders of Big Business but of the United States administration. Taft, who succeeded Roosevelt as President of the United States in 1909, believed that American capital might be forced into fields which it would not have entered on its own initiative and during his four years of office the "dollar diplomacy," which his administration employed for this purpose, did much to discredit the Republicans and prepare the way for the election of a Democrat as President in 1912. President Taft took the extraordinary step of sending a personal telegram to the Prince Regent of China demanding American participation in the Hukuang Loan Agreement. The renewal of the Battle of the Concessions in this strange form caused some delay, but eventually an American group was admitted into a new Four-Power Consortium.

At this stage the Chinese Government decided that the trunk railways of the Empire should be nationalised. The edict in which this policy was announced was issued on May 9th, 1911, and was followed ten days later by the signature of an agreement with the banking groups of the Four-Power Consortium for the construction of trunk railways through Hupeh, Hunan and Szechuen. The edict provoked a furious outburst of indignation all over China. A "Railway Conservation League" was formed in Szechuen and the agitation it fomented broke out into armed rebellion. Similar outbreaks occurred in other provinces and these became merged in a general revolutionary movement. Before the

end of the year Sun Yat-sen, who had hurried back to China, was elected Provisional President of the Revolutionary Republic by the delegates of thirteen provinces who had assembled at Nanking to decide the future constitution of the country. On February 12th, 1912, the Manchu Dynasty formally abdicated and on the following day Sun Yat-sen resigned in favour of Yuan Shih-k'ai who took the oath of office as Provisional President on March 10th, 1912.

Most unfortunately for the future of China the chief inspiration of the movement which transformed the Empire into a Republic was a fanatical determination to assert the right of the provinces to manage their own affairs. Under the old Confucian Empire there was never any doubt as to where authority lay and to whom loyalty was due. Under the Republic all this faded away and for more than a dozen years China was the scene of civil wars between warlords who seized provinces or groups of provinces and maintained private armies to keep themselves in power. China fell into a state of chaos which made her a tempting bait for the expansionist ambitions of Japan, and just ten years earlier Japan had been launched on a career of aggression by the worst blunder Great Britain has ever committed—the Anglo-Japanese Alliance of 1902.

## CHAPTER SEVEN

### *Japanese Aggression*

*Palmerston on alliances—no commitments to engage in future wars—splendid isolation not isolationism—abandoned by Lansdowne in Anglo-Japanese alliance 1902—Halévy on Lansdowne—influence of Joseph Chamberlain—proposes alliance with Germany—fantastic notions about China and Battle of Concessions—insults Russia—proposes alliance with America—proposes triple alliance England, Germany, America—approaches Kaiser 1901—public quarrel with von Bulow—turns to France—Anglo-Japanese alliance and entente cordiale—secret articles about Morocco—casting vote of England—Salisbury's memorandum of 1901—promise to declare would be repudiated—Talleyrand and Castlereagh—"alliance implies war"—Ito desires to avoid war—negotiates with Russia—surprised by announcement of alliance—British government explains promise to declare war would be repudiated—*

*alliance poisons relations with America—abrogated in 1921—alliance made war in Far East certain—no bounds to ambitions of victor—America fears Japanese attack on Philippines—policy of placating Japan—Taft-Katsura and Root-Takahira agreements—Japan and India—her opportunity comes in 1914—chaotic state of China—Kiaochow and Twenty One demands—America and allies complaisant—Japan assumes position of dominant power—controls Chinese government—Russian revolution 1917—Japan's designs on Siberia and Outer Mongolia—post war slump—return of Soviet Russia—League of Nations—Washington Conference—Nine-Power treaty—limitation of capital ships—chorus of approval—Japan's borrowed culture and inferiority complex—ambitions not abandoned but methods changed—maintains hold over Manchuria—special position in Manchuria not affected by Washington Conference—threatened by success of nationalist movement—nationalist attack on Russian position in north Manchuria—vigorous Russian reaction—attempt to undermine South Manchuria railway—Japan disillusioned by League of Nations—develops heavy industries in Manchuria—determines to strengthen special position—Mukden incident September 1931—Manchukuo—failure of collective security—"a theory killed by a fact"—command of sea surrendered to Japan—placed in impregnable position—Russia holds aloof—America relies on moral opinion—League adopts non-recognition—Japan resigns from League—a tempest of aggressive nationalism—East Asia Co-prosperity Sphere—policy of detaching five northern provinces—China's recovery under Chiang Kai-shek—incident at Marco Polo Bridge—no fear of outside interference—Brussels Conference—no action by America—collective security abandoned—past errors of British policy—Anglo Japanese alliance—naval base at Singapore but no warships—difficulties caused by isolationism—American policy 1905-1941—Biyani's note 1915—Lansing Ishii notes 1917—stands aside 1940—Britain's waning strength—Burma Road 1940—Japan and Germany might have won the war—disaster narrowly averted*

*Note on splendid isolation*

*Rise of Germany not real cause of abandonment of splendid isolation—Chamberlain's four-year campaign—advocated alliance not against Germany but with Germany against Russia—Japan substituted for Germany as ally against Russia—drifted into entente cordiale—evil consequences of tariff reform campaign—policy now generally advocated is in effect return to splendid isolation*

*The alliance with Japan* which was concluded by Lord Lansdowne on January 30th, 1902, was an important factor in the career of aggression that Japan pursued for the next forty years in the Far East. The traditional British doctrine on the subject of alliances was stated by Lord Palmerston in the following terms:

I hold with respect to alliances that England is a power sufficiently powerful to steer her own course and not to tie herself as an unnecessary appendage to the policy of any other government. I hope that the real policy of England—apart from questions which affect her own particular interests, political or commercial—is to be the champion

of justice and right, pursuing that course with moderation and prudence not becoming the quixote of the world but giving the weight of her moral sanction and support wherever she thinks that wrong has been done. It is a narrow policy to suppose that this country or that is to be marked out as the eternal ally or the perpetual enemy of England. We have no eternal allies and no perpetual enemies. Our interests are perpetual and eternal and those interests it is our duty to follow.

Throughout the nineteenth century successive British Governments refused to enter into commitments to go to war on one side or the other in some future set of circumstances which could not be foreseen. One of the platitudes of British political thinking is that it is a mistake to take one's fences before one comes to them, and history bears witness to the wisdom of this policy. In no great war was England ever in serious danger for lack of allies and even in the most unfavourable circumstances—as for example during the Boer war—it was never possible to mobilise a continental coalition against her: among the European powers there were always some to whom it was a major interest that England should not be dethroned from her place as a world power.

The criss-cross of alliances which covered the political map of Europe in the latter half of the nineteenth century has been referred to in the previous chapter (see page 119). In spite of Count Hatzfeld's blandishments Lord Salisbury continued the policy of refusing to enter into hypothetical commitments and such was the pre-eminent position England then occupied in Europe that this policy received the name of splendid isolation.<sup>53</sup> It is an unfortunate term because it suggests an affinity with American isolationism whereas in fact the two are poles asunder. The true meaning of splendid isolation is that England, standing apart from all factions, was courted by all and played a leading rôle in the affairs of Europe. In 1901 Lord Salisbury was obliged by increasing age and infirmity to relinquish the post of Foreign Secretary and Lord Lansdowne who succeeded him abandoned, with very little reflection—indeed with almost indecent haste—the traditional

policy of refusing to enter into hypothetical commitments. The Anglo-Japanese Alliance, which was signed on January 30th, 1902, bound Great Britain to declare war on the side of Japan if Japan were attacked by more than one power. Lord Lansdowne has been described by a famous French historian (Halévy: *History of the English People*) as "a man without strong personality, ready to accept any suggestion, incapable of initiating any policy of his own," and there is considerable evidence to show that when he decided, as he said, no longer to be swayed by "musty formulas and old-fashioned prejudices" he had, in fact, succumbed to the persuasions of a more forceful personality than his own. Someone has remarked that a phenomenon that has rarely failed to be noxious in British political history is the conduct of diplomacy from No. 10 Downing Street. Still more mischievous results have been known to follow when it has been conducted from No. 11 Downing Street, but even more disastrous than any intervention by the Prime Minister or the Chancellor of the Exchequer were the incursions into foreign policy of Joseph Chamberlain, Colonial Secretary in Lord Salisbury's administration in the closing years of the nineteenth century.

On March 29th, 1898, Mr. Chamberlain, seizing the opportunity of Lord Salisbury's temporary absence on the Continent and without consulting Mr. Balfour, who was left in charge of the Foreign Office, or any of his colleagues in the Cabinet, sought an interview with Count Hatzfeld, the German Ambassador in London, and proposed a defensive alliance between Germany and Britain on the basis of an agreed policy in China designed to check any further Russian encroachment. Russia was to be allowed to keep what she had already seized but the rest of China was to be partitioned between Germany and Britain and protected against Russian aggression by Chinese armies under German and British officers respectively. He followed up this fantastic proposal with a public insult to Russia in a speech at Birmingham on May 13th, 1898—"Who sups with the devil must have a very long spoon." He spoke about war in a great and noble cause

in which the Stars and Stripes and the Union Jack should wave together over an Anglo-Saxon alliance and in the same speech declared that the Battle of the Concessions in China was as great a menace to British interests as when "the great Napoleon laid an interdict on our trade," suggested that war was inevitable and declared that to win such a war an alliance with Germany was necessary. At Leicester on November 30th, 1899, he again proposed a triple alliance of England, Germany and America, and when the Kaiser came to England in January 1901, when Queen Victoria was on her deathbed, Chamberlain, undeterred by the ill-will he had stirred up during the previous four years, seized the opportunity to raise again the question of an Anglo-German alliance. The discussions which then began ended a year later, in January 1902, in a violent public quarrel between himself and von Bulow, the German Chancellor.

"To start straight away on the opposite tack when he found that his previous course led nowhere was highly characteristic of Mr. Chamberlain," says Mr. Spender in *Fifty Years of Europe*. He had often threatened to turn to France if Germany refused his offer, but the Kaiser and his advisers dismissed this threat as the kind of blackmail they themselves habitually employed in negotiation. Mr. Chamberlain, however, was as good as his word. On January 30th, 1902, the very day the Anglo-Japanese Alliance was signed, Metternich, the German Ambassador in London, reported that Chamberlain had begun negotiations with Cambon for an all-round settlement of the many colonial disputes with France. Among a long list of petty quarrels there were two questions of very high policy, Egypt and Morocco, and four secret articles dealing with Morocco formed part of the *entente cordiale*, signed in April 1904. Not one in a million, says Mr. Spender, dreamed of any large commitment in the field of foreign affairs and Eyre Crowe himself, the Permanent Head of the Foreign Office, declared that his department had no thought but to attain the "ideal condition of living in honourable peace with all other states," but, in fact, when the British Government agreed to underwrite French im-

perialistic ambitions in Morocco, the casting vote of England, which for years had been the great prize of European politics, had at length been given away. The same secrecy and self-deception attended the making of the Anglo-Japanese Alliance.

In May 1901 Lord Salisbury wrote a memorandum on the subject of Chamberlain's proposal for an alliance with Germany. He rejected the proposal in language which sounds like an unconscious echo of Lord Palmerston's declaration that England should not "tie herself as an unnecessary appendage to the policy of any other government." He denounced the folly of "incurring novel and most onerous obligations in order to guard against a danger in whose existence we have no historical reason for believing"; and in language that exactly fitted the kind of hypothetical commitment contained in the Anglo-Japanese Alliance he pointed out that "if the government promised to declare war for an object which did not commend itself to public opinion, the promise would be repudiated, and the Government would be turned out." Ferrero relates in *Reconstruction of Europe*, (page 274) how Talleyrand proposed to Castlereagh that they should make an agreement about Saxony, whereupon Castlereagh enquired whether he was proposing an alliance. "Not necessarily an alliance," replied Talleyrand, "but it will be an alliance if you wish. I have no objection." "But," said Castlereagh "an alliance implies war or may lead to it and we should do everything to avoid war." Among the elder statesmen of Japan there was a powerful group who, like Castlereagh, wished to avoid war and who knew that an alliance with Britain would lead to war with Russia. The leader of this group, Marquis Ito, perhaps the greatest statesman of the Meiji era, was actually in St. Petersburg negotiating an agreement with Russia when, to the surprise of all, the signature of the alliance in London was announced.

The alliance with Japan had all the evil consequences Lord Salisbury had pointed out. War between Russia and Japan broke out two years later and shortly afterwards the British

Government was placed in the humiliating position of explaining to both Canada and America that, in certain circumstances, if the *casus foederis* arose the British Government would repudiate its promise to declare war on the side of Japan. In spite of this explanation Americans regarded the alliance in much the same light as we should have regarded a treaty which bound America to come to the assistance of Germany in 1914. It continued to poison our relations with America, besides placing us in a very equivocal position in China, until it was finally abrogated at the Washington Conference in 1921.

Another of the platitudes of British political thinking is that the greatest of all British interests is peace. It is surprising, therefore, that any British Government should have signed a document that made war in the Far East a certainty. So long as Russia and Japan faced each other as rivals each acted as a check on the other and a certain balance was maintained, but once their rivalry had been put to the arbitrament of war there was no possibility of setting bounds to the ambitions of whichever country emerged victorious from the struggle. If Russia had won she would have immediately absorbed not only Manchuria and Korea but the whole of North China at least as far as the Yellow River. It took Japan somewhat longer to exploit her victory, but when Lord Lansdowne, with Theodore Roosevelt's full approval, launched her on her career of expansion, Far Eastern history was diverted on to the path which led to the Twenty-one Demands presented to China in 1915, the seizure of Manchuria in 1931 and the attack upon Pearl Harbour ten years later.

It was not until after the defeat of Russia that it began to be realised that Japan entertained ambitions which were a menace to all countries with interests in the Far East. The first country to feel the effects of the sudden alteration in the balance of power in the Pacific was the United States of America. Up to 1905 America warmly supported the policy of backing Japan against Russia, and Theodore Roosevelt, who throughout his tenure of the Presidency kept the conduct



of foreign policy in his own hands, took action which in effect made America an unsigned member of the Anglo-Japanese Alliance. He believed that Russia intended to extrude American interests and that Japan was therefore fighting America's battle in Manchuria. His policy, therefore, was to give Japan a free hand in Korea and assist her in her fight to loosen Russia's hold on Manchuria and he calculated that the end of the war would leave a weakened Russia and a strengthened Japan facing each other in Manchuria. Before the end of the war, however, he realised that a victorious Japan was a far greater menace than Russia could ever have been and that America had given a hostage to fortune by the annexation of the Philippines in 1900. In 1905 he began to fear that Japan might drive Russia off the Pacific seaboard altogether and extend her empire to Lake Baikal, and from 1905 to 1941 successive American administrations were haunted by the fear that Japan might be tempted to attack and seize the Philippines. On July 29th, 1905, before the opening of the peace conference he negotiated the Taft-Katsura agreement by which the United States approved Japan's "suzerainty over" Korea in return for a Japanese disavowal of any aggressive intentions towards the Philippines. Three years later, in the Root-Takahira agreement of November 30th, 1908, he gave Japan an additional bribe in the form of a free hand in Manchuria.

British interests were not menaced in so spectacular a fashion by the sudden leap forward of Japanese ambitions. Within a few years of the close of the Russo-Japanese war it was known to a favoured few that the forward spirits in Japan, whose patron saint is Hideyoshi, looked forward to the day when India would form part of a great Japanese Empire. This, however, was lightly put aside as mere megalomania and there is no evidence that successive cabinets in London or the bureaucracy in India realised how greatly British prestige had been undermined by the stipulation that Japan should come to the assistance of Great Britain in the defence of India. It was not until the outbreak of the Great War in 1914 that Japanese ambitions came out into the open. Every

great country in the world, including America, was fully occupied with the problems of the war and Japan was thus presented with a heaven-sent opportunity to extend the area of her domination from Manchuria into China proper where the revolution had plunged the country into great confusion.

The first fruits of the nationalism preached by Sun Yat-sen were the loss of Outer Mongolia and Tibet as well as a separatist movement in the provinces which prepared the way for civil war. In other directions also China's efforts to reform and modernise her institutions had misfired. The students who flocked to foreign countries during the first decade of the twentieth century came back imbued with notions of parliamentary government and representative institutions on the western model, but these could only have been harmonised with the Confucian conception of the social order if time had been allowed for a long period of acclimatisation and peaceful evolution. The chief aim of the nationalist movement, however, was the destruction of the Manchu Dynasty and the transition from Confucian empire to western Republic was altogether too abrupt to permit of any process of peaceful evolution. A second revolution broke out in 1913 and orderly government was only rendered possible by the suppression of Parliament and of the radical element in the national movement and the establishment of a dictatorship under China's one strong man, Yuan Shih-k'ai. Unfortunately, however, his power rested less upon popular support than upon the loans he was able to obtain from foreign countries.

After 1913 there ensued, with only a few brief intervals of peace, a long series of civil wars, the latest of which is the conflict now raging between the Communists and the Kuomintang. China was never able, therefore, to present a united front to foreign aggression and her position was still further weakened by the readiness of the radicals of the south to accept Japanese help against their domestic enemies, the warlords of the north. Immediately the first World War broke out Japan laid siege to and captured Kiaochow on the Shantung coast which Germany had seized in 1897, and in January 1915 she presented to Yuan Shih-k'ai the notorious

Twenty-one Demands, the purpose of which was to turn China into a vassal State. At this stage the Japanese still attached great importance to their alliance with Britain and it was largely owing to the pressure brought to bear by Sir Edward Grey that the more outrageous of the demands were dropped. After five months' negotiations China was forced by the threat of war to accede to the remaining demands. In May 1915 a series of agreements were signed by which Japan greatly strengthened her hold on South Manchuria and Eastern Inner Mongolia and established a similar position in the province of Shantung, south of the Great Wall.

As the war progressed Japan gradually arrogated the position of dominant power in the Far East, without whose prior consent no important political action, particularly in relation to China, should be taken. America and the European allies found it necessary to adopt a complaisant attitude towards these claims and, with the way thus cleared, Japan proceeded to establish by various corrupt devices a stranglehold over the machinery of the central government at Peking and over the arsenals, the armed forces and the organs of the military administration. In 1917 the Russian revolution and the crumbling of the Russian position in central Asia presented Japan with another heaven-sent opportunity and she made a determined effort to extend her domination over eastern Siberia as far as Lake Baikal as well as over north Manchuria and Outer Mongolia. After the defeat of Germany, however, these ambitions suffered a sudden check. The methods adopted for establishing Japanese supremacy roused unexpected forces of resistance both in Siberia and in China. Japanese industries made fantastic profits during the war and as long as the golden stream continued to pour in, the Japanese people were content to see vast sums wasted in discreditable adventures on the mainland of Asia, but the onset of the post-war slump, the return of Russia—now Soviet Russia—to the Far East, military setbacks in Siberia and deadlock in Shantung all combined to bring the army for the first time in its history into disfavour. Another factor that predisposed the Japanese to listen to the

persuasions of Britain and America was their belief that the Covenant of the League of Nations had inaugurated a new world order in which there would be no place for empires expanding by the usual method of military aggression.

In 1921, after soundings had been taken, the President of the United States issued invitations to all interested powers to attend a conference for the purpose of discussing naval disarmament and Pacific and Far Eastern Affairs. The delegates of nine powers accordingly assembled at Washington and signed the famous Nine-Power Treaty, agreeing upon a policy of friendly collaboration for the purpose of assisting China to achieve her economic and political rehabilitation. Having thus renounced all aggressive intentions, the principal powers—Britain, America, Japan, France and Italy—were able to agree upon a proportionate limitation of capital ships, and when the Conference dispersed in February 1922 there was a chorus of approval at what was generally regarded as a completely satisfactory solution of all Far-Eastern problems and a striking example of what could be achieved by co-operation between Britain and America. Japan's willingness to attend the conference was regarded as a sign that the liberal elements had gained control of national policy. It is seldom possible, however, to give in terms of western political thought a correct interpretation of political movements in either China or Japan. The Japanese possess a peculiar faculty for combining a belief in the divine origin of their Emperor, their race and their country with a strongly marked inferiority complex. Impressed by the obvious superiority of western nations in military and industrial technique the Japanese obeyed, eagerly and *en masse*, the Imperial order to acquire western knowledge and imitate western ways, but, facile copyists though they are, they never succeeded in feeling entirely comfortable under the outward trappings of western civilisation which they took over. The Japanese are deeply conscious that their culture has always been borrowed from other lands and that their minds are not sufficiently profound to understand the philosophy that lies behind the borrowed culture. They betray this inferiority complex in all their

dealings with the Chinese, even when they are trying to seize their land and conquer them ; and in the presence of Europeans it shows itself in an uneasy desire to adopt the correct pattern of behaviour.

When Japan took part in the discussions at Washington and in the deliberations of the League at Geneva it merely meant that this was regarded as the correct technique a great power should adopt in the conduct of its affairs. It did not mean that either government or people had abandoned under the influence of liberal principles their traditional conception of manifest destiny or their determination to be the dominant power in the Far East. In particular, the Japanese Government, in spite of its liberal complexion, made it plain that it had no intention of relaxing its hold over Manchuria. After the victory over Russia in 1905 the Japanese oligarchs avoided the error which led to the triple intervention after the defeat of China in 1895. They restrained the military, who wished to annex the whole of south Manchuria, and by a series of agreements with Russia and China they secured a number of rights and privileges which together created a special position of a unique and formidable character. At the time of the Washington Conference Japan governed with practically full rights of sovereignty the leased territory of Kwantung, including the naval base at Port Arthur and the great seaport of Darien. She held various forestry and mining concessions as well as ninety-nine-year leases of the South Manchuria Railway and the Antung-Mukden Railway. Through the South Manchuria Railway she administered the railway areas, including several large towns and large sections of such populous cities as Mukden and Changchün ; and in those areas she controlled the police, education, taxation and public utilities. She maintained armed forces in many parts of the country ; the Kwantung Army in the leased territory, railway guards in railway areas, and Consular police throughout the various districts. Japanese nationals in Manchuria were not subject to Chinese jurisdiction or control, but had the right to own land and engage in farming, mining, or any kind of business at any place in the interior.

Various resolutions were adopted and agreements reached at Washington relating to spheres of influence, the open door and kindred subjects, but none of these were allowed to affect in any way Japan's special rights and privileges in Manchuria. The first threat to her special position arose from the sudden triumph of the nationalist movement in China which resulted in the establishment of a new National Government of the Republic of China, with its capital at Nanking, and the extension of Kuomintang influence into Manchuria. On the abdication of the Manchu Dynasty in March 1912, the reactionary elements in Peking retired to Mukden and no revolutionary influences were allowed to penetrate the Three Eastern Provinces (as Manchuria was then called). They continued to maintain a kind of *quasi* independence under the famous old ex-brigand warlord Chang Tso-lin. After 1928, however, the whole of Manchuria was opened to nationalist propaganda and Chang Hsueh-liang, the son of Chang Tso-lin, contrary to the expressed wishes of the Japanese, hoisted the Kuomintang flag and announced his allegiance to the National Government at Nanking. Their sudden success went to the heads of the Kuomintang politicians and the first fruits of the nationalist propaganda were a rash attempt to liquidate the Russian position in North Manchuria. The Soviet Government, however, reacted with great vigour and the Chinese authorities were forced to sign a protocol at Habarovsk on December 29th, 1929, in which they agreed to a restoration of the *status quo*.

The nationalist attack upon the Japanese position in south Manchuria was more subtle and less spectacular. It consisted of a highly ingenious method of undermining the monopoly of the South Manchuria Railway. This railway was the instrument through which the Japanese exercised their economic and political domination over south Manchuria, and they therefore encouraged the Chinese between 1918 and 1927 to construct a network of feeder lines with loans contracted with the South Manchuria Railway. Then in 1927 the Chinese out of their own resources built certain links between these feeder lines and thus transformed what had

been originally a number of disconnected branch lines into two parallel railway lines one on each side of the South Manchuria Railway. In 1929 it was cheaper to send cargo from Shanghai to Haibin by these Chinese lines than *via* Dairen and the South Manchuria Railway. The Chinese defaulted on their loans and refused to consider any scheme for running all these lines as one system. They believed they had discovered a way of squeezing the Japanese out of Manchuria by economic pressure only.

It was, of course, singularly inept to suppose that anything but superior force would get the Japanese out of Manchuria, and the nationalist campaign was also singularly ill-timed. By 1929 the Japanese had discovered how little reality lay behind the phrases of the Covenant of the League of Nations. In particular the League provided no safeguard against policies pursued by other states which inflicted great economic injury on Japan. America, who was not a member of the League, was the worst offender in this respect, but other countries also excluded Japanese goods and nationals. In the new world established by the League injuries of this kind were not regarded as aggression. The Japanese, therefore, became convinced that Japan could not hope to remain a great power unless she obtained political control over the regions from which she drew her raw materials and where she hoped to find markets for her manufactured goods. At about the same time the decision was reached, on purely technical grounds, that in future heavy industries must be developed, not in Japan, but in Manchuria where there were abundant supplies of coking coal and iron. Japan had accomplished the remarkable feat of building up on imported supplies of raw materials a steel industry capable of supporting both a powerful army and a powerful navy; but at the very moment when the Chinese nationalists were congratulating themselves on the success of their scheme for undermining Japan's special position in south Manchuria the little group of oligarchs who control the national policy of Japan had reached the conclusion that Japan's special position must be made more secure in order to make it practicable to locate the industrial

base of the Japanese Empire in Manchuria.

On September 18th, 1931, the Kwantung army, which always acted as the spearhead of Japanese aggression, staged an incident on the railway line just outside Mukden and within twenty-four hours Japanese troops occupied all the important towns in south Manchuria in accordance with a carefully prepared plan. It is probable that the Kwantung army did not at first intend to do more than strengthen the special position in south Manchuria in order to safeguard Japanese interests against the Chinese policy of obstruction, but the enthusiasm with which the resumption of the forward policy was greeted by the people of Japan encouraged them to enlarge the scope of the original plan. They proceeded accordingly to eject all Chinese authority from Manchuria, ride rough shod over Russian rights in north Manchuria and set up the so-called independent state of Manchukuo, which was, of course, as much an integral part of the Japanese Empire as Korea or Formosa. The seizure of Manchuria was the beginning of a savage war which lasted with hardly any intermission until the Japanese surrender in August 1945. It was also a public demonstration that the system of collective security which it was believed had been inaugurated by the Covenant of the League of Nations was a figment of the imagination. The theory of collective security was that all international disputes would in future be settled without the use of force, for if an aggressor should attempt to use force he would find arrayed against him such overwhelming force that he would think again and agree to submit his case to the judgment of the League. Japan's action in 1931 provided a perfect example of Herbert Spencer's definition of a tragedy—a theory killed by a fact. For when the Kwantung army seized Manchuria overwhelming force was arrayed, not on the side of the League, but on the side of the aggressor.

In 1905, on the first renewal of the Anglo-Japanese Alliance Britain withdrew her battleships from the China station and surrendered command of the sea in the western Pacific to Japan. The measures of disarmament agreed upon at the Washington Conference in 1922 confirmed and strengthened



the supremacy of Japan. Britain, America and Japan agreed upon a proportionate limitation of capital ships in the ratio five : five : three and it was further agreed that no naval base should be built in the Pacific within striking distance of Japan. This not only placed Japan in an impregnable position but placed all the possessions of western powers—the Philippines, Indo-China, the Netherlands East Indies, Hongkong and Malaya—at her mercy whenever she chose to resume her career of aggression. It made little difference that neither Russia nor America were members of the League, for in any case neither of them was either willing or able to take active measures to oppose Japan. Russia was gravely menaced by Japanese ambitions, but she distrusted the League and preferred to concentrate her energies on her own internal problems of industrialisation. The Soviet Government accordingly held studiously aloof and made no sign even when Japanese armies rode rough shod over Russian rights in north Manchuria. Mr. Stimson desired that Japan should be restrained and was eager to co-operate with the League for that purpose, but he was well aware that America could not be drawn out of her traditional isolationism by an obscure quarrel in a remote corner of the world where no American interest appeared to be threatened. All that Mr. Stimson was in a position to propose was that the League should mobilise the moral opinion of the world and, as no one had anything better to suggest, this proposal was adopted and made the basis of the League's efforts to arrange a settlement of the dispute. Mr. Stimson appears to have persuaded himself that if the fifty-five states, members of the League, joined with the United States in declaring that they would not recognise the fruits of aggression this "would carry the force and implication of a moral condemnation and would prove an effective bar to Japanese aggression." As late as August 1932, Mr. Stimson was still publicly proclaiming his belief in the power of public opinion to act as an effective restraint on Japan, for "never before has international opinion been so organised and mobilised." As might have been expected, however, the moral condemnation of western countries had no restraining

effect on Japanese ambitions. On the contrary it merely inflamed the passions of the people of Japan.

. The efforts of the League to effect a settlement of what was euphemistically called the dispute between China and Japan lasted from September 1931 to February 1933. Mr. Mat-suoka, having failed to obtain the League's assent to his thesis that the settlement should be based on the recognition of Manchukuo as an independent state, led his delegation out of the Assembly Hall at Geneva and the Japanese Government gave notice of Japan's withdrawal from the League. Japan was then swept by a tempest of aggressive nationalism. There was a steady drift towards a totalitarian state with the Young Officer group, comprising all the most extreme and irresponsible elements among the military in the ascendent. Political assassination became a normal feature of public life and the so-called liberals made no stand in defence of their principles. The Japanese had never forgotten the dream of their great national hero Hideyoshi in the sixteenth century to conquer an empire on the mainland of Asia and from the day that the alliance with Britain made it possible for Japan to defeat Russia and roll back the tide of European conquest the realisation of Hideyoshi's ambition seemed to have been brought within their grasp. After the successful flouting of the fifty-five nations of the League assembled at Geneva these ideas, which had never been far below the surface, surged up into the open and an Asiatic empire, under the curious title of the East Asia Co-Prosperity Sphere, became the acknowledged goal of Japanese policy. As the first step towards the attainment of this goal the Japanese Government decided to detach the five northern provinces of China from the control of the Government at Nanking and to set up in that region an autonomous régime similar to that in Manchukuo. The measures adopted by Japan to undermine the authority of the Chinese Government in the five provinces form one of the most discreditable episodes in Far Eastern history.

During these years the Chinese Government, under the leadership of Chiang Kai-shek, made a remarkable recovery from the shock of the loss of Manchuria and from about the

end of 1935 there were many signs that the country was making rapid progress towards order, prosperity and unity. The Japanese, however, were afraid to allow the Chinese recovery to proceed too far. Under the Boxer Protocol of 1901 the Japanese, in common with certain other foreign powers, had the right to station troops in north China in order to keep open communication between the foreign legations and the sea. The possibility that anything like the siege of the Peking Legations in 1900 could recur had long since passed away, but the Protocol had never been abrogated and Japan took advantage of this treaty right to station what amounted to an army of occupation in north China. Following the precedent of 1931 at Mukden, the Japanese commander staged an incident at the Marco Polo Bridge some seven miles from Peking and fighting duly ensued. The Japanese had no aim but to complete the severance of the five northern provinces but Chiang Kai-shek, realising that China's whole future was at stake, rejected all overtures to "localise the incident" and large scale hostilities began.

China appealed again to the League, but in 1937 it was even more certain than in 1931 that Japan need fear no outside interference with her designs on China. The rise of Hitler, Italy's conquest of Abyssinia and the fiasco of the half-hearted sanctions imposed by the League, the civil war in Spain and the terrible purge then being carried out in Russia were all symptoms of the disastrous deterioration in the situation in Europe, while America also had retreated still deeper into isolationism. At this time it was still widely believed that America had offered to restrain Japan in 1931 and that Britain had refused. The story was patently untrue, but it was widely propagated by isolationists in America and believed by many people in Britain who had been unable to recover from the shock of the collapse of collective security. It was essential therefore that America should be brought out into the open, and as she was not a member of the League the only way of ascertaining beyond all doubt what action if any she was prepared to take was to call a conference of the parties to the Nine-Power Treaty. This treaty, signed at the

Washington Conference in 1922, was in a very special degree the child of America and at such a conference the American delegate would play a leading part and have full authority to state the policy of his Government. China's appeal was referred, therefore, to a conference of the parties to the Nine-Power Treaty, but when this conference met in Brussels in October 1937, the American delegates were obliged to confess that America could only "share in the common effort to devise a means of finding a pacific solution."

This in effect sealed the fate of China for the next eight years, for without America it was useless to think of devising measures to restrain Japan. No one was willing to make further experiments with collective action of the kind talked about in 1931 and actually put into operation against Italy in 1935, and the resolution adopted at the Brussels Conference and later by the Assembly of the League was confined to a recommendation that

Members of the League should refrain from taking any action which might have the effect of weakening China's powers of resistance and should also consider how far they can individually extend aid to China.

Britain's fortunes were linked with those of China for, now as always, the great interests she had built up in the Far East depended primarily on the independence and prosperity of China; and now the errors of the past, like curses and young chickens, came home to roost. From the outbreak of the first World War in 1914 to the Washington Conference in 1922 the alliance with Japan was a source of embarrassment to Britain in her relations with China, the first victim of Japan's aggressions, with America, who not unnaturally regarded the terms of the alliance as a hostile act directed against herself, and with Canada, who shared to the full America's feelings on the subject of Japan. The Washington Conference provided an opportunity for getting rid of this dangerous commitment but the evil consequences of the alliance could not be exorcised by simple abrogation. The Japanese attach immense importance to feelings of sentiment and prestige, and Britain's action in abrogating the alliance, apparently to please

America, induced a sense of grievance which was one of the causes of the renewal of aggression a few years later. Moreover, the method chosen for abrogating the alliance led Britain into further blunders which had serious and far-reaching consequences. The measures of disarmament agreed to at the conference placed the whole British position east of the Bay of Bengal at the mercy of Japan and after the conference the British Government, having already withdrawn all the battleships from Far-Eastern waters, proceeded on the one hand still further to reduce the strength of the British Navy and on the other hand to build a great naval base at Singapore. This was an even more disastrous breach with the traditions of the past than that made by Lord Lansdowne when, declaring that he refused to be swayed by "musty formulas and old-fashioned superstitions," he concluded the alliance with Japan in 1902.

The principles of sea power, by which alone a far-flung empire like that of Britain can be maintained, were known and acted on many centuries before they were expounded in a famous book by Captain Mahan in 1890. In the sixteenth century, the century of Portugal's greatness, that great sea captain, Almeida, advised King John of Portugal:

Devote all your attention to strength at sea and avoid misplaced expenditure on fortresses or other commitments on the land. So shall Your Majesty's interests prosper in the East.

That principle was well understood by the British during the three succeeding centuries. It was forgotten by the Germans when they seized Kiaochow in 1897 and turned it into a fortress at a cost of some fifty million sterling. The Kaiser believed that the possession of Kiaochow would enable Germany to play a dominant rôle in the Far East, but he made the elementary blunder of neglecting the influence of sea power. In 1914 Japan possessed command of the sea and Kiaochow fell into her hands after a bombardment lasting little over twenty-four hours and with a very small expenditure of men and money. Germany was a great land power

with no tradition of the sea, but it is astonishing that Britain should have committed the same blunder at Singapore less than ten years after the fall of Kiaochow. Whether the Admiralty really believed that a naval base without ships to use or defend it was of any value must remain a matter for speculation. The more probable explanation is that the British were once again the dupes of their own propaganda. For nearly twenty years the doctrine was assiduously preached that the naval base at Singapore in some way protected India to the west and Australia to the south. When the Japanese took Singapore in 1942 as easily as they had taken Kiaochow in 1914 even Mr Winston Churchill spoke in awed tones about "the fall of that great bastion."

Britain's problems, however, were rendered much more difficult by the attitude of America. America's aims in the Far East were much the same as those of Britain and on the long view it was as much in the interest of America as of Britain that Japan's ambitions should be kept within reasonable bounds, but America's traditional isolationism made effective action impossible. Throughout the period from 1905 to 1941, when Japanese aggression was rising to fantastic heights, American policy was based on the possibility that Japan might seize some favourable opportunity to attack the Philippines. Theodore Roosevelt, who had expected the Russo-Japanese war to end in something like a stalemate, was seriously alarmed by Japan's crushing victory and was still more alarmed by the acute crisis in American-Japanese relations which arose immediately after the war in consequence of the dispute over Japanese immigration into California. He tried to deal with the situation by means of the Taft-Katsura and Root-Takahira agreements of 1905 and 1908 respectively and in a letter to his successor, Taft, he laid down the principle which, with one brief interlude of "dollar diplomacy," governed American policy in the Orient from 1905 to 1941:

Our vital interest, wrote Roosevelt, is to keep the Japanese out of our country and at the same time preserve the goodwill of Japan. The vital interest of the Japanese, on the other hand, is in Manchuria and Korea. It is therefore

peculiarly our interest not to take any step as regards Manchuria which will give the Japanese cause to feel, with or without reason, that we are hostile to them or a menace in however slight degree to their interests.

When the great war broke out in 1914 the British navy, America's shield in the Atlantic, was fully occupied and friendly relations with Japan in the Pacific became more important than ever. When Japan presented the Twenty-one Demands to the President of the Chinese Republic, President Wilson deprecated any interference on behalf of China ; and when the text of the demands reached Washington, Secretary Bryan followed faithfully the line laid down by Roosevelt. He addressed a note to the Japanese Ambassador in which, after referring to the demands relating to Shantung, South Manchuria and Eastern Inner Mongolia, he declared that

“ the United States frankly recognises that territorial propinquity creates special relations between Japan and these districts.”

The high water mark of American complaisance towards Japanese ambitions in China was reached in the Lansing-Ishii exchange of notes in 1917. By this time Japan had reached the stage of demanding that she should be treated with the deference due to the dominant power in the Pacific. The Japanese Government considered that they had been slighted in the course of the complicated diplomatic manœuvres attending China's entry into the European war and they accordingly sent Viscount Ishii as Special Ambassador to Washington to obtain from the United States administration confirmation of the recognition of Japan's special position contained in Secretary Bryan's note of 1915. Viscount Ishii's negotiations resulted in an exchange of notes on November 2nd, 1917, in the following terms :—

The Governments of Japan and the United States recognise that territorial propinquity creates special relations between countries, and, consequently, the Government of the United States recognises that Japan has special interests in China particularly in the part to which her possessions are contiguous.

The territorial sovereignty of China nevertheless remains unimpaired and the Government of the United States has every confidence in the repeated assurances of the Imperial Japanese Government that while geographical position gives Japan such special interests they have no desire to discriminate against the trade of other nations or to disregard the commercial rights heretofore granted by China in treaties with other powers.

After the treaty of Versailles isolationism revived in full force and the morale of the people fell as badly in America as in Britain. There was a widespread desire to save China from the consequences of her weakness, but this was coupled with a determination not to be drawn into taking active measures against Japan. The first attempt to restrain Japan was made at the Washington Conference and took the form of placing her in an impregnable position and trusting to her honour not to break faith and attack China again. The second attempt made ten years later took the form of mobilising the moral opinion of the world. In 1937 and still more in 1939 America felt herself menaced once more. She retreated deeper into isolationism and in 1940, when Britain faced the supreme crisis of the war, large sections of opinion believed, with Hitler, that she was about to surrender and President Roosevelt's administration, mindful also of the fact that it was the year of the Presidential election, somewhat pointedly refused to stand by Britain's side.

When Japan seized Manchuria in 1931 she found only moral opinion mobilised against her. The foundations of the British position in the Far East had crumbled, but a façade of power still remained. Britain retained her leadership and her support of Chiang Kai-shek's administration between 1931 and 1937 greatly assisted the progress China made during those years. In 1937, however, when Japan attacked again Britain had her back to the wall in Europe. She pointedly handed over the lead to America and America as pointedly refused to take it. In 1938 Munich still further weakened Britain's position and from then on she was in constant danger of an attack by Japan which she was powerless to resist. The most



dangerous moment came in 1940 when the Japanese, elated by the fall of France and the retreat from Dunkirk, demanded the closing of the Burma Road. The Presidential election in America was approaching and, in spite of the strong and widespread sympathy with Britain, the exigencies of politics were such that the United States administration felt bound to take action which seemed designed to make it clear that in this supreme crisis Britain must stand or fall alone. The British Government needed three months respite in order to replace the arms that had been lost at Dunkirk. They, therefore played for time and agreed to close the road for three months from July to October. By October the Battle of Britain had been won and, by one of the most astonishing feats of the whole war, the lost arms had been replaced. The Burma Road was reopened and the Japanese did nothing.

A Japanese attack in 1940 would have been directed against the British Empire alone. America would almost certainly have stood aside and if this had happened it is probable that China would have collapsed and that the German and Japanese armies would have joined forces on the banks of the Suez Canal. As Winston Churchill said in one of his great war speeches, it will ever be to the glory of these islands and this Empire that for a whole year after Dunkirk we stood alone, fought off the enemy and saved civilisation from destruction.

### NOTE ON SPLENDID ISOLATION

The abandonment of splendid isolation at the beginning of this century is dealt with in greater detail in the author's *War and Politics in China*, Chapters eight and nine, but it is remarkable how little attention has been paid to this important question. Looking back after the lapse of some years it seemed obvious that the reason for this vital change in our national policy must have been the rise of Germany in the last quarter of the nineteenth century, the consequent alteration in the relative position of Great Britain and the threat arising from Germany's naval and colonial ambitions. This explanation

seems so reasonable that it has been generally accepted without further investigation by authorities on international affairs. Professor Carr, for example, in the remarkable series of talks on foreign policy broadcast in the Third Programme during the autumn of 1946, praises the far-sighted statesmen who, realising that Britain could no longer stand alone, made the alliances with Japan and France which enabled us to win the war against Germany. The fact is, however, that this explanation, reasonable though it may sound, is a myth without any historical foundation whatever.

The campaign against splendid isolation was launched by Joseph Chamberlain early in 1898 and culminated in the signature of the Anglo-Japanese Alliance in January 1902. During those four years the only proposal under consideration was that Britain should form an alliance, not against Germany but with Germany directed against Russia. This was the proposal examined and rejected by Lord Salisbury in May 1901. It was only after Chamberlain had been ignominiously rebuffed by Germany that the alliance against Russia was made with Japan in lieu of Germany. At the same time Chamberlain carried out his threat of turning to France if Germany rejected his overtures and it was under this impulsion that the Government drifted into the *entente cordiale* with France. An alliance gained by Joseph Chamberlain's method of advertising our inability to defend ourselves or our Empire would hardly be likely to achieve its purpose. It is not the case, however, that the *entente* was planned because the Government felt that Britain was not strong enough to stand alone. The Government drifted into the *entente* without quite knowing whither they were going. After agreeing to underwrite French ambitions in Morocco they found that what they had achieved was the division of Europe into two armed camps with Britain, deprived of her power of manœuvre, firmly fixed in one of the camps and chained to France's chariot wheels. It is, of course, unlikely that war could have been avoided even if Salisbury, or someone of equal calibre, had continued to direct British policy, but it is certain that Chamberlain's tariff reform campaign placed German indus-

ty squarely behind the Kaiser and Admiral Tirpitz and that Lansdowne's policy made England suffer for the follies of French statesmen as well as for her own mistakes.

Students of Far-Eastern history know that Britain was not strengthened by her alliance with Japan. Japan would have seized Kiaochow in 1914 and helped herself to anything else she wanted in the Far East whether there had been an alliance or not. She contributed almost nothing to the winning of the war and the Japanese leaders were both disappointed and disconcerted when Germany was defeated. After the Somme and Passchendaele and Dunkirk it is difficult to argue that we were strengthened by the alliance with France. By ganging up with France against Germany we made war with Germany a certainty and by ganging up with Japan against Russia we made war between Russia and Japan a certainty and started Japan on the path that led to Pearl Harbour. Professor Carr mentions that the support of America contributed to the defeat of Germany, but surely this is the crux of the whole matter. The soundness of Lord Salisbury's reasoning is demonstrated by the fact that America without any alliance fought on our side and that we were saved from defeat not by an ally but by the support of America.

Professor Carr declares that there are now few open advocates of splendid isolation. Nevertheless, the policy he advocates, with Arnold Toynbee's warm approval, is identical with Lord Salisbury's splendid isolation and the exact contrary of Lord Lansdowne's fatal policy of ganging up with one side against the other. He proposes that we should take our own line and try to work out a middle way of our own. Great Britain stands between two great powers and she should hold the balance even between them and pursue a foreign policy independent of both. "Do not let us be persuaded to make an exclusive alliance either with the United States or with the Soviet Union." In Lord Salisbury's time that would have been described as splendid isolation.

## CHAPTER EIGHT

### *Russian Influence on Chinese Nationalism*

Russia's frontier with China—Japan's fear of Russia causes war of 1894—after war of 1904 Russia still dominant in north Manchuria and Outer Mongolia—American railway schemes in Manchuria—Russo-Japanese secret agreements 1907 to 1916—Russian position crumbles 1917—Japan secures dominant position in China—hopes to seize Outer Mongolia and Siberia—allied intervention in Siberia—Japan's position crumbles 1920—war fights crumble—army falls out of favour—Red Army enters Siberia 1919—Russian position restored—Soviet grievances against England and America—promises to China—stirs up agitation against unequal treaties—President Wilson's warning to China—Chinese eager for abrogation of unequal treaties—no move in this direction—China's status lowered by results of revolution—Mixed Court at Shanghai and Customs revenues—Parliamentary institutions a failure—foreign tutelage considered necessary—extraterritoriality and tariff autonomy—Washington Conference keeps China in leading strings—China's bleak alternatives—western tutelage or Japanese domination—Soviet Russia shows a way out—Sun Yat-sen meets Joffe in Shanghai—Communism rejected but Soviet help accepted—Borodin and Kara'khan—Kuomintang-Communist situation—Communism's secret aim world revolution—Kuomintang reorganised by Borodin—Dictatorship of Party on Soviet model—Military Academy at Whampoa—rapid success of Kuomintang—communists join in individual capacity—Communism's efforts to gain control—riot in Shanghai plays into hands of extremists—anti-British movement—Britain reverses faulty Washington Conference policy—failure of Communist conspiracy—Chinese no aptitude for class war—Sun deceived by treachery of communists—strong revulsion against communists—Borodin expelled—Britain's olive branch—influence of returned students—plans for rehabilitation and development—foreign privileges resented—treaty rights in origin reasonable but now anomalous—Britain abandons tutelage—December Memorandum—New National Government 1928—other nations follow British lead—nationalists resent communist treachery and Soviet imperialism—the Chinese Eastern Railway—nationalists attack Soviet position in north Manchuria—China humiliated and status quo restored—Japan seizes Manchuria—Russia holds aloof—object of policy to erect a barrier against Japan—withdraws from north Manchuria—agreement with Mongolian People's Republic—no further attempt to use Kuomintang for world revolution—no further separate help to Chinese communists

Russia's expansion into Asia brought her into contact with the Chinese Empire along a frontier some four thousand miles in length, and when the first vigour of the Manchu Dynasty declined this common frontier was the reason for the great influence Russia exercised in the affairs of China. It was the fear inspired by Russia's inexorable march across Asia eastward to the Pacific and southward to the Yellow Sea that stimulated Japan to attack China in 1894 in the hope of forestalling Russia in Korea. Japan won the war, but she

lost the peace, for the collapse of China created a vacuum into which pressed not only Russia but the other nations of Europe as well. During the disturbances of 1900 Russia took military possession of all Manchuria, but the balance of power was then altered to her disadvantage by the Anglo-Japanese Alliance, and as a result of her defeat in the war of 1904 she was pressed back out of south Manchuria by Japan. She retained, however, her dominant position in north Manchuria and Outer Mongolia. After the war there ensued a period lasting more than ten years during which Russian-Japanese hostility died down and the two countries worked amicably together in defence of their common interests. This somewhat unexpected development was due to American intervention and the fear that American Big Business, with the backing of the American Government, had designs on Manchuria which were prejudicial to the interests of both Russia and Japan. In 1904 Theodore Roosevelt, President of the United States, encouraged Japan to attack Russia in the belief that the war would end in a stalemate and that Manchuria would then present a favourable field for American enterprise. While the war was still in progress a railroad magnate named Harriman conceived a grandiose project for an American-owned round-the-world transportation system to be carried into execution through the purchase of both the Russian-owned Chinese Eastern Railway in north Manchuria and the Japanese-owned South Manchuria Railway in south Manchuria. Although the war ended, not in a stalemate but in a crushing victory for Japan, these railway projects continued to be pressed with great vigour, and attempts were made to blackmail Japan and Russia into agreeing to Harriman's terms by persuading the Chinese Government to grant a concession for a great trunk line—the Chinchou-Aigun Railway—which would byepass both the Chinese Eastern Railway and the South Manchuria Railway. Even after Japan and Russia had drawn together to defend their common interests against this menace the American Government put forward a scheme for the neutralisation under international control of all the railways in Manchuria. The

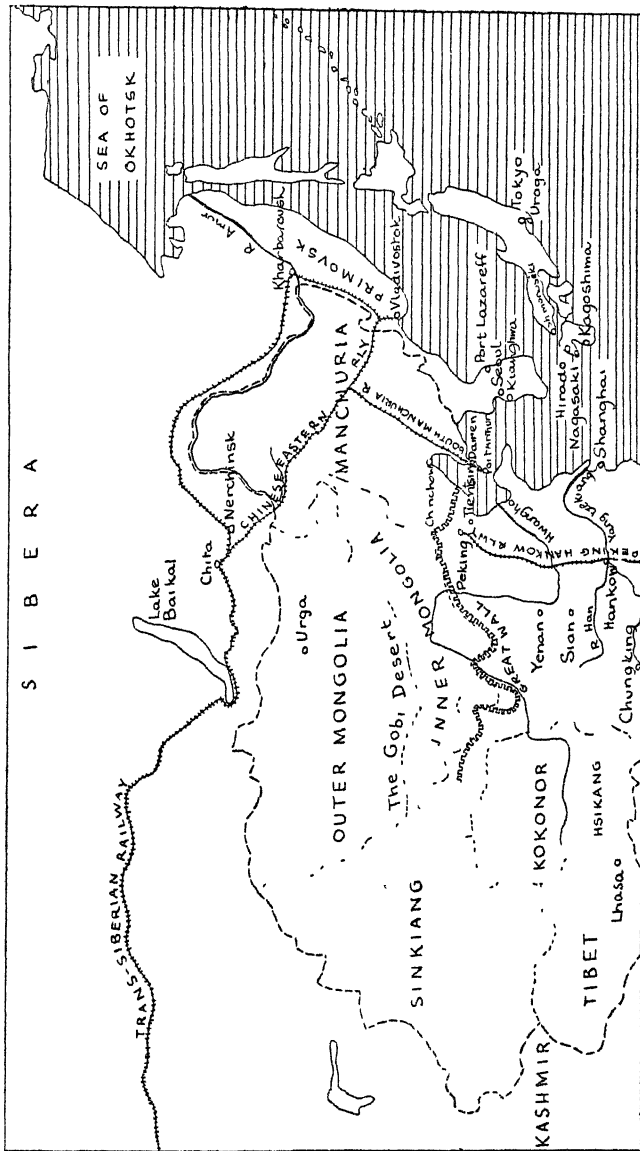
scheme was both crude and impracticable, but it had the effect of increasing the hostility and suspicion of both Russia and Japan. The American Government, acutely aware of the Achilles heel they had recently acquired in the Philippines, remained complaisant towards Japan, but their relations with Russia became even worse than before. Tsarist diplomacy, according to Professor Zabriskie, the American author of *American Russian Rivalry* (page 89) was "marked by an uncertainty, a contradiction, an evasion, and an unfriendliness unique in the history of diplomatic relations", and Russian statesmen took an equally unfavourable view of American "dollar diplomacy." In order to safeguard the interests threatened by Harlan's schemes, and by the American Government's proposals for the "neutralisation" of Manchurian railways, Russia and Japan entered into a series of secret agreements between 1907 and 1916 in which they agreed, as the Chinese say, "to divide the melon". A vertical line was drawn on the map of Eastern Asia, and all on one side, comprising south Manchuria and Eastern Inner Mongolia, was allocated to Japan, while all on the other side, comprising north Manchuria and Outer Mongolia, was allocated to Russia.

The Bolshevik revolution, which occurred about a year after the last of these agreements, completely altered the Far Eastern situation, and, after having been in abeyance for a dozen years, the rivalry between Japan and Russia started up again. While the Russian Empire in central Asia crumbled into ruins Japan was riding on the crest of the wave. As part of her price for rendering naval assistance against Germany she secured from the European allies in the war promises that they would support her claim to succeed to the German rights in the province of Shantung. By a series of complicated manoeuvres she brought China into the war against Germany and by means of bribery on a fantastic scale she maintained in power in Peking a government composed of corrupt militarists over whom she exercised a considerable measure of control. In the Lansing-Ishii notes, negotiated in Washington in 1917, she obtained from the United States Government

recognition of her special position of authority in China and while the notes were being negotiated the Peking Government was setting up a War-Participation Bureau and was borrowing enormous sums from Japanese sources under the pretext that a Chinese army was to be trained and equipped to fight on the western front in Europe. Under the terms of what became known as the "Arms Alliance," Japan also obtained control over Chinese arsenals and gained the right to send Japanese armies through Chinese territory.

The Japanese were greatly excited by news of the Bolshevik revolution. The collapse of Russia opened up the prospect of seizing north Manchuria, Outer Mongolia and Siberia as far west as Lake Baikal, and with the assistance of the Government in Peking the plans, which they put into operation, with these objects in view, made rapid progress. The name of the War-Participation Bureau was changed to Frontier Defence Army and a Chinese warlord—a notorious ruffian known as Little Hsu, who was, of course, a puppet of Japan—led a Chinese army to Urga and overthrew the Russian-sponsored autonomous régime that had governed Outer Mongolia since 1912. While Japan was thus laying hands on Outer Mongolia, the allied intervention in Siberia, which was begun at the invitation of President Wilson in July 1918, placed further opportunities of loot within her reach. She contributed seventy thousand men to the allied force against not more than nine thousand sent by any other power. The "Arms Alliance" enabled her to transport her armies rapidly across Chinese territory, and when they reached Siberia the Japanese tried to gain control of the country by the same corrupt methods they had employed in China. The White Russian leaders they supported were, however, little better than brigands, and, in Siberia as in China, Japan was soon to find that she gained no permanent advantage by pouring vast sums of money into the pockets of men who were liable to be overthrown at any moment, and who, if they were not massacred, were very likely to disappear into obscurity with their ill-gotten gains.

By the beginning of 1920 Japan's position began to crumble



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away. Throughout Eastern and Central Asia there was a swing to the left and a movement of revolt against the corrupt and reactionary elements on whom Japan relied to further her aims. In Japan itself this movement to the left, which many people hailed as the dawn of a liberal era, was assisted by the onset of the post-war slump. During the war Japan had made fantastic profits. Beginning as a debtor country she accumulated a stock of gold and foreign balances amounting to two thousand million gold yen. Some of the stories told of profiteers sound like fairy tales. One company paid seven hundred per cent, another one thousand per cent and yet another three thousand per cent, while the average dividend paid by twenty-eight shipping lines was ninety per cent. A shipping clerk who formed himself into a company accumulated a fortune of four million yen in three years. The Japanese are at all times prone to megalomania, and this sudden access of wealth was more than a shallow-minded people could bear. While the profits lasted they were willing that their leaders should pour out money on various discreditable adventures in China and Siberia, but when the golden stream dried up the army fell out of favour for the first time in history, and it was found impossible to whip up popular support for any further military expansion on the mainland of Asia.

Russia, in the meantime, had recovered from the upheaval caused by the revolution. The Red Army from Moscow entered Siberia in July 1919, and advanced as far as Lake Baikal where it paused to await developments. The inhabitants of eastern Siberia had suffered severely from the depredations and cruelties of the White leaders. Revolts broke out, and before the end of the year all the White leaders were killed or driven out, and Soviet governments were set up in the whole region between Lake Baikal and the Pacific. There were similar revolts against the Princes and Lamas of Mongolia who had collaborated with the Chinese militarists from Peking. The autonomous government of Outer Mongolia was restored with the aid of Soviet troops who, with great prudence and restraint, withdrew as soon as the Young Mongols had recovered control of their country.

Russia was thus the victor in the second round of her long battle with Japan, but she had scores to settle also with Britain and America who had insisted on treating the Bolsheviks as a transient phenomenon which would disappear when a new government emerged more truly representative of the Russian people. The situation in China offered an opportunity to strike a blow at the capitalistic powers who were regarded as Soviet Russia's natural enemies and the Comintern, with its usual candour, made no secret of its intention to use the government and people of China for this purpose.

When the Red Army advanced into Siberia in 1919 two communications were received by the Chinese Government in Peking from the Deputy Commissar for Foreign Affairs, a person named Karakhan, who later became the first Soviet Ambassador in Peking. These communications explained that the policy of the Soviet Government was to abandon all Tsarist conquests, restore the Chinese Eastern Railway, return the Boxer indemnity, expel the Minister and Consuls appointed by the Tsar, abolish extraterritoriality and generally make amends for all acts of oppression committed by the Tsarist Government. A message from the Soviet Government was also published in the press to the effect that the Red Army in Siberia might be used to deliver the Chinese people from the oppression of foreign imperialists. In the following year a Soviet emissary named Youn was sent to negotiate a resumption of commercial relations between China and the Far Eastern Republic, the name now given to the region east of Lake Baikal, and simultaneously with his arrival in Peking a number of Bolshevik agents mysteriously appeared and stirred up an agitation against the unequal treaties. Shortly afterwards the Chinese Government withdrew recognition from the Minister and Consuls appointed by the Tsar and cancelled the extraterritorial privileges hitherto enjoyed by Russian subjects. This was regarded as the first success of the Soviet campaign against the western powers. It caused considerable anxiety and President Wilson addressed a solemn warning to the Chinese Government against appearing to be

too subservient to the influence of Russian communists. He explained that this might cause China to lose the friendship of other powers and

give an excuse for aggressions justified with a show of reason as being necessary to keep the rights of Russia from being confiscated on behalf of the Russian Reds.

The Chinese were so excited, however, at the prospect of receiving Russian aid in the recovery of their sovereign rights that they paid no heed to the veiled threat contained in President Wilson's warning. All the aims of the nationalist movement were summed up in the phrase the abrogation of what they insisted upon calling the unequal treaties: it was the one aim on which all factions were united, the warlords and reactionaries in the north and the radicals and revolutionaries in the south. The first great breach in the treaty port system was made when as a result of the first World War the nationals of two great European countries—Germany and Russia—lost their extraterritorial privileges. The other powers, however, showed no intention of moving in the same direction. The encroachments on China's sovereign rights involved in the treaty port system did not seem to them to be grievances urgently calling for remedy. The revolution which transformed China from an Empire into a Republic had lowered rather than raised China's status among the nations. Both Mongolia and Tibet broke away and achieved their independence and a similar movement in favour of provincial autonomy was the cause of provincial warlordism and the long cycle of civil wars that followed the fall of the empire. Moreover, during the change-over from Imperial to Republican institutions certain measures, adopted in agreement with the Chinese authorities for the protection of foreign interests, constituted an even greater encroachment on China's sovereign rights than the privileges sanctioned by the treaties. The two most remarkable instances of this occurred in connection with the Chinese Court set up in the International Settlement at Shanghai (commonly called the Mixed Court) to exercise jurisdiction over the Chinese residents in the Settlement, and in con-

nection with the new arrangements made for the collection and custody of the Customs revenues. Up to 1912 the Mixed Court was entirely under Chinese control, but during the revolution a new and anomalous system was introduced by which the Chinese magistrate presiding over the Court was appointed by the Consular Body in Shanghai and the finances of the Court were controlled by the foreign municipality of the Settlement. Up to 1912 the foreigners employed in the Imperial Maritime Customs Administration had no functions in relation to the revenue collection and custody both remained in the hands of Chinese, but after the revolution the revenue was collected by the foreign Commissioner of Customs, banked in foreign banks and applied to the service of the foreign loans under the supervision of the Diplomatic Body at Peking.<sup>64</sup>

At the time these changes were made the intention was that the former system should be reinstated as soon as normal conditions were restored, but somehow the favourable moment for abrogating the new arrangements never came. The too rapid introduction of Parliamentary institutions on the western model had the same results in China as in the countries of eastern Europe and elsewhere. Ordered government became impossible, Parliament was suppressed and constitutional government was replaced by dictatorship tempered by civil war. In these circumstances the changes made in 1912 as regards the Chinese Court in the International Settlement at Shanghai and in the collection and custody of the customs revenues came to be regarded as among the measures of tutelage which it was the duty of friendly foreign powers to exercise in China's own interests. None of the powers assembled at the Washington Conference believed that the time had come when China could be entrusted with power to exercise jurisdiction over foreigners or to fix the rate of duty to be levied on her foreign trade. The problem of extraterritoriality was shelved until an international commission of enquiry had made recommendations for improving the administration of justice in China, and with regard to the tariff the only concession made was of such a character that

it increased Chinese resentment of foreign control. It was agreed that the existing flat rate of five per cent might be increased to seven and a half per cent provided the proceeds of the extra two and a half per cent were spent under foreign supervision on purposes to be decided by another conference. Some of China's minor grievances were met, but in all the important matters, which were bitterly resented as publicly branding China with the status of inferiority, the Washington Conference, under the leadership of Britain and America, proceeded on the complacent assumption that China must be kept indefinitely in leading strings.

Until the Russians appeared upon the scene and began their drive against the unequal treaties China was thus faced with two almost equally bleak alternatives—to submit to the domination of Japan or accept the patronising tutelage of Britain and America. It is not surprising that they sought a way out of this dilemma by turning for help to Soviet Russia.

The first move in this direction was made almost immediately after the Washington Conference by the southern faction who had set up a separatist government under Sun Yat-sen at Canton. In 1922, during one of the periodic upheavals in the Canton Government, Sun Yat-sen fled for refuge to the French Concession at Shanghai, and there he met and talked with Joffe, a Soviet emissary who had succeeded Yourin and who was carrying out a mission to China and Japan. Joffe and Sun agreed that communism was not suited to conditions in China, but that Soviet Russia might help the revolutionary party in China to overcome its domestic enemies—the warlords who plundered and oppressed the people—and its foreign enemies—the imperialistic powers who refused to abrogate the unequal treaties. In the following year the Comintern sent an emissary named Borodin who attached himself as adviser to Sun Yat-sen in Canton, while the Soviet Government sent Karakhan, the author of the two communications of 1919, to Peking. Karakhan negotiated the resumption of diplomatic relations between Soviet Russia and China and was received as the first Soviet Ambassador to Peking.

There ensued what is known as the Kuomintang-Comintern flirtation which lasted from 1923 to 1927. During this period Sun Yat-sen, while rejecting communism, accepted help from Soviet Russia. He saw that the Communist Party had carried a revolution to a successful conclusion in Russia and he thought that the Comintern might have much to teach the Kuomintang in matters of organisation and revolutionary technique, and so help the Kuomintang to repeat in China the success the Communist Party had achieved in Russia. He consented to receive Borodin as his adviser because he thought it would be possible to accept the help of the Comintern for this limited purpose only. The Comintern, on the other hand, while agreeing that Borodin's functions should be so limited, in fact sent him to Canton for the express purpose of capturing the Kuomintang and diverting the Chinese revolution into a movement aimed, not merely at the unequal treaties, but at all western interests in China. They hoped that the movement might spread from China to India and that world revolution, which had already failed in Europe, might have its first great success in the Far East.

At first everything went according to plan. The Russian revolution under Kerensky had suffered from the same kind of frustration as the Chinese revolution under Sun Yat-sen, but the period of frustration was much shorter. Parliamentary institutions under Kerensky were the same dismal failure they always have been when transplanted to soil not suited for their growth. They were quickly superseded by a dictatorship which was ingeniously disguised as the dictatorship, not of an individual, but of a political party. In China, Parliamentary institutions had led to dictatorship, to civil war, to a split between north and south, confusion and subjection to foreign tutelage; but under Borodin's skilful guidance the Kuomintang was reorganised on the model of the Communist Party in Russia and Sun adopted from Russia many fertile ideas and expedients—the single party State and the dictatorship of a single party; the doctrine that the party should establish and control the government; the control of the party by a small Central Executive Committee; the committee system of

administration in both party and government ; intensive political training for both military officers and civilian officials; the formulation of a definite set of political principles and the use of slogans, posters, cartoons, stage plays and other methods of propaganda that had been brought to a high state of efficiency in Soviet Russia. A Military Academy with Soviet instructors was set up at Whampoa, the anchorage ten miles from Canton, and Chiang Kai-shek, who had studied in Moscow, and on whose shoulders the mantle of Sun Yat-sen was soon to fall, became its first Head.

The new organisation of the Kuomintang became effective on the 1st January, 1924, and its influence rapidly spread through every province in China. It was the only political party with a well-organised administrative machine, a definite programme, some understanding of constitutional government and elective institutions and an efficient propaganda organisation. Every soldier in the nationalist armies was taught to memorise Sun Yat-sen's will and was instructed in his Three Principles of the People (San Min Chu Yi) and the three stages in which the revolution was to be accomplished.<sup>55</sup> The party everywhere won fervent adherents among the intellectual leaders of the nation and among the educated classes generally. The agents of the Comintern agreed, however, that communism was not suited for Chinese conditions and undertook that there should be no attempt to propagate it. Communists were, however, permitted to join the Kuomintang in their individual capacity and on the understanding that they would not receive instructions from other organisations, namely, the Communist Party or the Comintern.<sup>56</sup>

The Comintern made strenuous efforts to ensure that the communists should gain control of the Kuomintang and very large sums were spent in China for this purpose. In 1925, for example, a hundred and twenty million gold roubles were allocated for propaganda in foreign countries, and of this sum no less than one fourth was spent in China. Karakhan's first act on becoming Ambassador was to make a public speech in which he advised the Chinese to tear up the unequal treaties. He paid special attention to the students in the

universities, but the results were disappointing and he was obliged to warn their leaders that no more money would be forthcoming unless they succeeded in embroiling their government with the western powers. These threats made a bad impression on those to whom they were addressed, but a chance incident played into the hands of the Russians and of the small extremist section of the Kuomintang. On May 30th, 1925, a small riot occurred in the main thoroughfare of the International Settlement at Shanghai. Order might perhaps have been restored without the actual use of force, but the Municipal Police, under the command of a British Sergeant, opened fire and several Chinese were killed. A similar but more serious incident occurred at Canton three weeks later, and there ensued a furious outburst of feeling all over China against foreigners in general. The agents of the Comintern at first had some success in fomenting the movement and canalising it against British interests only. They pointed out that other nations enjoyed unequal privileges only because they took shelter behind Great Britain and that the nationalists, instead of dissipating their energies, should concentrate their attack upon the British. This was the sound advice on which the nationalists acted ; but it also had the effect of directing the attention of the British Government to the miscalculations in the policy they had been following in China since the Washington Conference. In the event the Russians overplayed their hand. The British Government, realising that the nationalist movement had now got into its stride, took measures calculated to meet the grievances and the legitimate aspirations of the nationalists with the result that the anti-British strike and boycott died down after some eighteen months, friendly relations were restored and the Kuomintang turned away from the Comintern. The efforts of the Comintern to start a social revolution were also a complete failure. The students and the intellectual leaders rejected Karakhan's overtures and the people at large, steeped in their own Confucian traditions, showed no aptitude for the Marxist method of achieving social justice by means of the class war.



Sun Yat-sen rejected communism, not because he found anything obnoxious in Marx's economic aims, but because the class war, by which the goal of the classless society was to be attained, was repugnant to the Confucian conception of the social order. Just as in the Nazi creed the final goal could not be reached until one master race had destroyed or enslaved all other races so, according to the followers of Marx, the dictatorship of the proletariat meant that one class—the working class—must destroy or subdue all other classes. Sun Yat-sen rejected this horrible conception of social justice to be achieved by acts of strife and treachery within the bosom of society. As the Chinese Government explained to the Lytton Commission when it investigated this problem in 1932 :

It was Dr. Sun's idea to regenerate China through her entire population and for the good of all without making any distinction between the classes of which the nation is formed. He was opposed to "class struggle" and to the exercise of political power by one class over the others.

In accepting the compromise by which communists were admitted to membership of the Kuomintang Sun failed to grasp the full implications of the class war. The Chinese communists gave the undertaking that they would take instructions only from the Kuomintang and not from the Comintern with the express intention of breaking it. Being engaged in class war they saw nothing dishonourable in entering the Kuomintang with the secret intention of fighting for communism from within. When the Comintern considered that the psychological moment had arrived instructions were sent from Moscow that the communists were to break away, arm the workers and peasants, crush the nationalist leaders and transform the peasants' committees into organs of power. To the nationalists this seemed the blackest treachery, but in communist eyes it was Chiang Kai-shek who was the traitor because by intervening to prevent the consummation of this conspiracy he had "betrayed the revolution."

It is not possible to reconcile these two opposite conceptions

of what is right and reasonable in human conduct. In countries where communism has gained a foothold there is a section of the community who consider that they are engaged in class war and who give their loyalty to Russia; and because they are engaged in class war "nobody can trust them to tell the truth, to observe any rules of decent behaviour, to keep any promises, to observe any scruples, or not, at a moment's notice, to reverse their stand on any issue great or small" <sup>57</sup> If the strictures passed on the Chinese communists are somewhat less severe than this it is because the influence of the Confucian culture is too profound to be easily eradicated. They never fully mastered the technique of class war and they were severely blamed by the Comintern for the blundering way in which they carried out the instructions sent from Moscow. On the disclosure of these instructions the Comintern conspiracy collapsed early in 1927. There was a strong revulsion of feeling all over China against both the communists and the Russians. The Soviet Embassy in Peking was closed, and diplomatic relations with the Soviet Union were broken off. At the same time the communists were expelled from the Kuomintang, Borodin and the other Soviet advisers were sent back to Russia and the moderates under Chiang Kai-shek gained control of the Nationalist Party machine. This was the end of the Kuomintang-Comintern flirtation. The nationalist movement turned back once more to seek for inspiration and support from the western democracies and it was encouraged to make this move by Great Britain who, at the psychological moment, just as the rupture with the Comintern took place, held out an olive branch which the nationalists were eager to accept. As a result of the anti-British boycott which started in 1925 after the 30th May incident in Shanghai, the British Government suddenly woke up to the fact that the tutelage imposed on China at the Washington Conference was the main cause of the nationalist discontents.

In the quarter of a century that had elapsed since the Boxer Rebellion many thousands of young Chinese had flocked abroad to study in foreign universities, and from

about the time of the Washington Conference the influence of these returned students—many of them men of outstanding ability—was increasingly felt in all branches of the national life. In the nineteenth century the Chinese, in their arrogance, had chosen to remain ignorant of the way western nations conducted their affairs, but during the third decade of the twentieth century returned students were rising to positions of importance, the bureaucracy lost much of its former importance and commercial, industrial and financial interests began to play the same rôle in China as in other countries. Plans for the economic rehabilitation and development of their country began to take shape, and it was natural that the whole vast complex of foreign privilege that had grown up under the unequal treaties should wear the appearance of an obstacle to be swept away. Many of these treaty rights did in fact seem, in the cold light of the twentieth century, to be both anomalous and indefensible, but in most cases, if their origin were examined, it would be found that they represented an honest and not unreasonable attempt to regulate the contact between two incompatible civilisations. The treaty tariff, for example, which dated back to the arrangements made immediately after the Treaty of Nanking in 1842, was one of the major grievances of the nationalists of the twentieth century. By agreeing in general terms that she would levy only moderate duties on the foreign trade and by translating moderate duties into specific rates and granting most favoured nation rights in all the treaties negotiated with foreign powers China almost inadvertently surrendered her tariff autonomy and in the twentieth century she found that she had no power to alter the tariff rates—which aimed at a general average of five per cent—without first negotiating separately with nineteen different treaty powers and obtaining the consent of each. At first sight nothing could seem more fantastic. Nevertheless, in the conditions of the nineteenth century a fixed tariff of five per cent, which China had no power to alter, saved her from the danger of a serious clash with foreign powers. If the Chinese, with the kind of administration they possessed in the nineteenth century, had tried to levy high duties on the foreign

trade, and to vary the duties as the government of the day might wish, they would almost certainly have provoked another "opium" war. Even as late as the 1930's the tariff autonomy which China then acquired was one of the chief factors in the renewal of Japanese aggression. When the tariff stood at five per cent there was little incentive to smuggle but when duties amounting to thirty or forty per cent were levied, organised smuggling by armed bands of Koreans and Japanese was one of the methods adopted by the Japanese Government for breaking down Chinese authority in the five northern provinces. In the 1920's, however, it was difficult to persuade nationalists that it was not unfair to insist that China should not be allowed to impose a tariff on the foreign trade of more than five per cent while other countries, such as America, for example, levied duties at the rate of several hundred per cent.

In these circumstances the British Government decided that the tutelage contemplated by the Washington Conference should be abandoned. They tried to bring America into line with this new policy, but, getting no response, they decided to take the lead and go ahead alone. In December 1926 a memorandum was communicated to the signatories of the Nine-Power Treaty to the effect that foreign control should not be forced on an unwilling China, foreign powers should no longer insist that the economic and political development of China could only be secured under foreign tutelage, and, with regard to the unequal treaties, should no longer put the Chinese off with vague promises of future action. After issuing the memorandum the British Government took immediate steps to remedy some of the more glaring abuses of which the nationalists complained. This was a most effective stroke of high policy. Coinciding with the discovery of the communist conspiracy it restored the prestige and leadership of Great Britain and completed the debacle of the Comintern. Shorn of its extremist wing the nationalist movement forged rapidly ahead. The whole of China was overrun by propaganda rather than by fighting, the warlord government at Peking faded out of existence, the capital was

moved to Nanking, and the new National Government of the Republic of China was established there on October 11th, 1928. America and other powers followed the British lead, and negotiations were immediately begun on the subject of extraterritoriality and the unequal treaties generally.

It is remarkable that the first matter to which the new government turned its attention was the recovery of China's sovereign rights in Manchuria and the first object of the nationalist attack was, not Japan, but Russia. There could be no clearer evidence of how badly Soviet Russia had played her cards since her first success with Sun Yat-sen at Canton. In the first flush of revolutionary enthusiasm Karakhan promised to return all that Tsarist Russia had seized from China, including the Chinese Eastern Railway, but after this declaration had served its turn it appeared that Soviet Russia had no intention of relinquishing the advantages that control of the railway gave her. The Russians maintained that no offer of free unconditional return was ever made and that it was understood from the beginning that the future of the railway was to be the subject of negotiations. These negotiations began in 1924 and produced one of those paradoxical situations that occur so frequently in China that they have ceased to be regarded as abnormal. While Borodin, the agent of the Comintern, was in Canton showing Sun Yat-sen how he might overcome the government in Peking, an agreement with that government was being negotiated by the Soviet Ambassador in Peking; and when the agreement had been signed another agreement in similar terms had to be negotiated in Mukden with Chang Tso-lin, the ex-brigand warlord who, without actually renouncing allegiance to Peking, maintained a semi-independent control of Manchuria. By these agreements Chinese "face" was saved by the declaration that the Chinese Eastern Railway was a "purely commercial enterprise," but seventy-five per cent of the railway employees continued to be Russians and control of the railway and of its many subsidiary enterprises remained in Russian hands.

This revival of Tsarist imperialism was resented even more

deeply than the treachery of the Comintern. On the establishment of the Nanking Government in 1928 both Peking and Mukden were drawn into the nationalist fold and foreign privileges, like the walls of Jericho, seemed to be collapsing at the first blast of the Kuomintang trumpet. Intoxicated by their sudden triumph the nationalist leaders took the exceedingly foolish decision to challenge the Russian position in north Manchuria. It was a foolish decision because Japan, feeling her position threatened by the sudden rise of nationalism, was already laying plans for the resumption of aggression in Manchuria, and the Chinese, with incredible ineptitude, seemed not to have the faintest idea of the forces that would be arrayed against them by both Russia and Japan. In the summer of 1929 Chinese police raided the Soviet Consulates in various places in Manchuria, important Soviet enterprises were forcibly closed down, the telegraph and telephone systems on the Chinese Eastern Railway were seized and finally the Soviet Manager and other Soviet employees of the Chinese Eastern Railway were removed from their posts and many Soviet citizens were arrested. The Soviet Government reacted with great vigour and in true imperialistic style. Soviet forces invaded Manchuria and the Chinese authorities, after suffering defeat and much loss of prestige, were forced to sign a protocol at Habarovsk on December 29th, 1929, in which they agreed to the restoration of the status quo. Two years later the whole situation was transformed by Japan's seizure of Manchuria and the resumption of her forward policy in Asia. This was an even greater menace to the security of Russia than to the interests of America and the western powers, but Russia was well aware that for various reasons it was useless to look to either Britain or America to take active measures to restrain Japanese aggression on China, and she accordingly held studiously aloof from the futile efforts of the League to effect a pacific settlement of what it described as the Manchurian dispute. The proceedings at Geneva ended early in 1933 in Japan's withdrawal from the League, and, while Japan was swept by the tempest of aggressive nationalism described in the pre-

ceding chapter, Hitler rose to power in Germany and Mussolini prepared and eventually launched his attack upon Abyssinia. In these circumstances there was a complete reorientation of Russian policy. In the Far East the most urgent need was to create a defensive barrier against Japanese penetration into central Asia. Russia, therefore, made no effort to hold on to her exposed position in Manchuria, and when the Japanese forces, after overrunning south Manchuria, entered north Manchuria she tacitly abandoned the rights she had vigorously asserted against China only three years before. She acquiesced in the establishment of the puppet state of Manchukuo and then, finding that under Japanese rule it was impossible to keep trains running on the Chinese Eastern Railway she sold the railway to Manchukuo and retired from Manchuria altogether; but she made it clear to Japan that it was a case of "thus far and no farther." Effective and well-advertised measures were taken to strengthen the defences in Siberia and in 1936 a Protocol of Mutual Assistance was signed between Soviet Russia and the Mongolian People's Republic. It was then announced that this proposal was merely confirmation of a gentleman's agreement that had been in existence since November 1934. Marshal Stalin also made a statement in 1936, which received wide publicity, that "if Japan ventures to attack the Mongolian People's Republic seeking to destroy its independence, we shall have to assist the Mongolian People's Republic." The Japanese Ambassador at Moscow, the statement added, had been warned to that effect.

Russian and Japanese spheres in central Asia were separated only by an imaginary line running mainly through steppes inhabited by nomads who in search of pasture for their flocks paid little heed to national boundaries. Japan constantly tried to turn this fluid situation to her own advantage. She proved herself to be a restless, intriguing and treacherous neighbour and for a whole decade after her seizure of Manchuria the activities of Japanese agents provoked border clashes every year. These sometimes developed into pitched battles with artillery and tanks in action on either

side. The disputes were always somehow patched up by negotiations in Moscow or Tokyo, but, though neither side was ready for a major war, Russia never slackened in her determination at all costs to prevent Japan gaining a footing—either military or diplomatic—in Outer Mongolia. This was the strategic key to the Far East, for if Japan could have struck across Outer Mongolia at Lake Baikal she could have cut Russia off from the whole of the Soviet Far East.

Russia's attitude to China was determined also by the menace of Japanese aggression. After 1931 it became one of Russia's major interests that China should be able to offer effective resistance to Japanese aggression. A common interest thus drew the two governments together and though relations between the Soviet and the Kuomintang could never be really friendly they became at any rate correct. There was no renewal of the attempt, which had failed so disastrously in 1927, to use the Kuomintang for the purpose of promoting world revolution and no encouragement was given to separatist movements which might have the effect of disintegrating China from within. The communist régimes which sprang into existence after the expulsion of Borodin continued the warlord tradition of civil war and looked to Moscow as their spiritual home, but from 1927 onward they received no direct assistance from the Comintern.

## CHAPTER NINE

### *Yalta and the Chinese Communists*

*Three phases of Russian policy—1919 to expulsion of Borodin 1927, 1928 to Seventh World Congress 1935, 1935 to surrender of Japan 1945—fourth phase now beginning—America, Yalta and Britain—Bolsheviks' passionate belief in Marxian doctrine—early success due to moral fervour—misdeeds of Japanese—Marxism armed at evils of industrialism—China not affected—reaction against these evils already set in, in England—Hegel and Marx—dialectical materialism—Confucianism untouched—Chinese not interested in abstract ideas—contradiction and opposition resolved by compromise—harmony not conflict—the individual in society—sense of community strong in Russia and China—but class-war doctrine fatal—Sun Yat-sen*



died before discovery of Comintern conspiracy—convinced of Soviet altruism—despite his influence violent revulsion against Soviet Russia—Chinese Communist Party disrupted but communism not ended—miserable lot of peasants—former bandit lairs become communist cells—rebel communist administrations—waning zeal for revolution—revival of Tsaiist ambitions in Manchuria—security against Japan the overriding consideration—relations with Kuomintang unfriendly—Chinese communists receive no further aid—still follow line laid down by Moscow—Chiang Kai-shek's campaigns against communists—the Long March 1934—Russia enters League of Nations—agreement with Outer Mongolia—Seventh World Congress of Comintern—first for seven years—communist parties ordered to form United Front—Soviet policy of barrier against Japan—mistrust of Trojan tactics—Chiang Kai-shek insists on submission to central government—Japanese fear of communism—anti-Comintern pact—incident at Marco Polo bridge—eight years war—three reasons for attack—(1) China's rapid progress—(2) Russia weakened by purges—(3) western powers in difficulties—Russia withdraws after clash on Amur—Japanese believe Russian army disintegrating—China weakened by civil wars—separatist tendencies after 1928—attraction of United Front slogan—communist leaders' volte-face—unity not achieved—China fights alone till 1941—Brussels Conference—no collective action—America supplies arms to Japan—British prestige ebbs—danger of attack on Britain alone—America still isolationist—tide turns after Battle of Britain and Presidential election 1940—freezing of Japanese assets—attack on Pearl Harbour—Japanese victories—situation in China deteriorates—failures of Kuomintang—growing popularity of communists—Yenan—abuses eliminated in communist areas—both communists and Kuomintang derive from Soviet Russia—different conceptions of "democracy"—Chungking and Yen'an both dictatorships—excused as transitional—"manipulators of power"—transition to constitutionalism no easier than transition to classless society—Kuomintang rely on bankers etc—Yenan relies on peasants—remote rural areas—no industries, etc—no national problems—Gunther Stein *The Challenge of Red China*—virtues of Shen Kan Ning Border Government—possible only in primitive conditions—present civil war a continuation of warlordism—situation after Pearl Harbour—communists might take areas evacuated by Japan—doubts as to Russia's attitude—Yalta Conference February 1945—Russia's entry into war deemed imperative—Yalta agreement grants Stalin's terms—restores former rights of Russia in Manchuria—Chinese concurrence obtained—fortunate for Russia—but consequences may be disastrous

*Russia's policy in China* after her return to the Far East in 1919 falls into three well defined phases. The first lasted from 1919 to the expulsion of Borodin from China and the fall of Trotsky about the end of 1927; the second lasted from 1928 to the Seventh World Congress of the Comintern in the summer of 1935 and the third lasted just about a decade from 1935 to the surrender of Japan in 1945. The fourth phase has now begun with the disappearance of Japan from the mainland of Asia and the substitution of America for Japan as Russia's Public Enemy number one, with Russian imperialism greatly stimulated by the agreements reached at the Yalta Conference six months before Japan surrendered, and

with Great Britain facing the tremendous task of rebuilding the great position she had held for more than two hundred years. British interests—commercial, financial and industrial—created a general identity of interest between Britain and China which differentiated Britain's attitude from that of Russian imperialism on the one hand and American isolationism on the other. This solid block of interests, not operating from a distance but built up within China, constituted in itself a formidable obstacle to Japan's expansionist ambitions. The leitmotiv that runs through the whole Far-Eastern drama is Japan's constantly renewed aggression upon China: from the Japanese point of view, China was the prey, Russia the enemy and Britain the obstacle.

In the early 1920's, at the beginning of their intervention in Chinese affairs, the Bolsheviks were inspired by a revolutionary enthusiasm as genuine and as great as that of any of the other great revolutions that have diverted the course of history and altered the destiny of mankind. They were driven forward by a Messianic faith in Russia's mission to rescue the great masses of mankind from the miseries of the existing social order. The Russian revolution, they believed, was only the beginning of a worldwide movement which would eventually spread the gospel of the new Marxian doctrine throughout Asia as well as Europe. The Comintern conspiracy to capture the Kuomintang was not inspired solely or merely by a desire to strike a blow at England and America. Behind the attempt to launch the nationalist movement in a drive against the unequal treaties and to use the people of China as an instrument for starting world revolution was a passionate conviction that the grievances of Chinese politicians no less than the miserable economic conditions of Chinese peasants were both parts of a worldwide disorder for which only one remedy — world revolution — would avail. During the first few years of unbridled internationalism these two motives were so intertwined that it was impossible to separate them, and much of the success that attended Soviet policy in the early 1920's was due to the moral fervour with which it was pursued.

The Bolsheviks won great prestige in Chinese eyes by their success in establishing a new social and political order in Russia, and they also profited by the misdeeds of the Japanese and the unsavoury character of their tools and protégés—the White Russian leaders and the Chinese warlords. In Siberia and in Outer Mongolia the soldiers of the Red Army were welcomed as deliverers and Sun Yat-sen saw no reason to doubt the sincerity of the advisers sent to Canton by the Comintern or the altruistic character of Soviet policy. The weakness of the Soviet position arose from the fact that Marxism does not possess the universal validity that its enthusiastic disciples claim for it. It won a worldwide response because it offered for the first time a comprehensive set of solutions to the problems set by the industrial age, but it was aimed specifically at the evil social conditions which were allowed to grow up under the industrial revolution, and the philosophy which Marx and Engels made the foundation of their system was a reaction against beliefs which were peculiar to nineteenth-century England. The Marxist philosophy was utterly repugnant to the Confucian philosophy which is the basis of society in China, and the evils of capitalism and industrialism which ravaged nineteenth-century England had hardly made their appearance in twentieth-century China. These evils were the outcome of a philosophy of life which purports to be preoccupied with spiritual values while neglecting material well-being and there was bound to be a reaction against this evangelical idealism in the direction of some explanation of the universe that paid more attention to materialistic factors. This reaction, in the form of Factory Acts and other social legislation, began in England long before the end of the nineteenth century and before Marxism had begun to exercise any significant influence on western thought.

In Marxism the reaction took the characteristically German form of dialectical and historical materialism. The dialectic, as conceived by Hegel, is explained by Professor Carr, with his customary lucidity in *The Soviet Impact on the Western World*: an idea or thesis is contradicted by its antithesis: this forms a synthesis which is established as a new thesis and the process

of contradiction begins once more. This never-ending flux by which the world moves forward is the ultimate reality behind the material universe. For the conflict of ideas Marx substituted the conflict of classes and their material interests and the dialectical idealism of Hegel thus became the dialectical materialism which now challenges the established order in every country in the world. Its impact on the Chinese mind, however, has been far slighter than its impact on the west. The evils which afflict the Chinese social order are not the same as those from which England suffered in the nineteenth century and the dialectic, which aimed such shrewd blows at western idealism, left Confucianism undisturbed. The Chinese, as Arthur Waley has pointed out, are not interested in abstract ideas and do not find it profitable to speculate about the ultimate reality that lies behind phenomena. Their philosophy is essentially a "study of how men can best be helped to live together in harmony and good order." They see the absurdity of trying to found the brotherhood of man upon a basis of hate, resentment, and desire for domination, and they find something deeply repugnant in the conception of human society in a perpetual state of conflict. They are aware that there are contradictions between ideas and opposition between material interests, but they hold that contradictions and opposition should not be allowed to issue forth in conflict, but should be harmoniously resolved by a process of adjustment and compromise, by a sympathetic consideration for the interests and opinions of others and a disposition not to insist upon one's own individual rights.

Contact with the west has compelled the Chinese to try to adjust their ideas about individual rights and the place of the individual in society to those of western Europe where the individualist tradition is very strong. In Russia as in China the sense of the community has always been stronger than the sense of the individual, but the hope that Russia might supply the necessary element to effect regeneration of China's civilisation has been destroyed by Marx's fatal doctrine of class war. This was the reason for rejecting communism, as being unsuited to conditions in China, while accepting the

help of the Comintern in matters of organisation and administrative method. The Comintern, however, in violation of the promise made by its agents to Sun Yat-sen, deliberately attempted to turn the Kuomintang into an instrument for conducting class war and inciting peasant revolts. Sun died before this treachery was discovered. In a letter written when he lay dying in February 1925 he charged the Kuomintang to remain in constant contact with the Communist Party in Russia and expressed the hope that the Kuomintang would remain bound up with the U.S.S.R.—“that heritage left to the oppressed peoples of the world by the immortal Lenin”—in the historic work of the final liberation of China from the yoke of imperialism. Sun would certainly have modified his views if he had lived a few years longer, but these instructions issued from his deathbed have continued to exercise great influence down to the present day. Nothing, however, could check the violent reaction against Soviet Russia which took place within two years of his death when the facts about the Comintern conspiracy were exposed. Borodin and the other Russian advisers were expelled and the Chinese Communist Party, which had been formed by a handful of intellectuals in 1921, was disrupted. That, however, did not mean the end of communism in China.

Any movement which proclaimed as its aim the improvement of the lot of the peasantry was sure to win adherents among the large numbers of those who had been driven to desperation by more than a dozen years of senseless and incessant civil wars. Normally the only refuge of such people would be to turn bandit and take to the mountains. The favourite lairs for Chinese bandits are the mountain ranges that usually form the boundaries between provinces and particularly the jumble of inaccessible mountains that often marks the spot where the boundaries of three provinces meet. Such places are easily defended, and when hard pressed by the troops of one province the bandits can easily escape over the border into another province. These places now became the headquarters of little communist communities. Although the Communist Party was disrupted, “cells” which had been

planted in various parts of the country developed into rebel administrations under communist leaders who defied the authority of the new central government set up by the Kuomintang in 1928

Sun Yat-sen died at just about the time that communism in Russia began to move away from world revolution towards socialism in one country, five-year plans and more normal relations than before with capitalistic countries. This waning of the crusading zeal for revolution was accompanied by a revival of Tsarist ambitions in Manchuria, the first overt sign of which was the resumption of control over the Chinese Eastern Railway. Nevertheless, the objective of world revolution continued to be pursued in China for some considerable time after it had been abandoned in Europe, but after the debacle of 1927 the Comintern was not disposed to waste any more money on instigating subversive movements in China. The relations between the Kuomintang and the U.S.S.R. were of a very unfriendly character and were not improved by the folly of the Chinese nationalists in launching an attack upon the Soviet position in North Manchuria in 1929. Two years later Japan seized Manchuria, and from that time onward, until the surrender first of Germany and then of Japan in 1945, security against Japan and the possibility of a war on two fronts became the overriding considerations in Russian Far-Eastern policy. Between 1927 and 1945 the Chinese communists received no direct help from Soviet Russia or the Comintern, not for lack of sympathy, but because to have encouraged separatist movements would have weakened and distracted China and have reduced her value as a bulwark against Japan. The Chinese communists received no help, but Russia was still their spiritual home and they continued to be guided by the instructions of the Comintern and to follow obediently the political line laid down by Moscow. From 1927 onwards Chiang Kai-shek led the national forces in annual campaigns against the communists, but all attempts to root them out of their lairs failed until 1934, when the communists executed their famous Long March from their strongholds in Kiangsi and Fokien all round

the map of China until they settled down in the loess highlands of the north-west, where they set up a communist administration with its capital at the little country town of Yenan. There is no doubt that this move was ordered by the Comintern and was one item in the general policy of strengthening the defences of the Soviet Union. The other significant items in this policy were Soviet Russia's entry into the League of Nations, involving one of those sudden right-about turns which present no difficulty for communists in Russia or for their dupes and fellow travellers in other countries, the secret Gentleman's Agreement of 1934, confirmed by the public Protocol of 1936, to defend Outer Mongolia should she be attacked by Japan, and finally the new political line laid down by the Seventh World Congress of the Comintern in the summer of 1935.

As Soviet Russia moved from internationalism to nationalism, from world revolution to socialism in one country, the Comintern lost much of its importance in domestic politics, but it continued to be used as an instrument for controlling the policy of communist parties in other countries in the interests of the Soviet Union. After the Sixth World Congress in the spring of 1928 all further public meetings of the Comintern were suspended for seven years until suddenly in 1935 the Seventh Congress was convened in Moscow at a few weeks' notice. The speakers at this congress made the usual prolix speeches containing the usual virulent attacks upon the capitalist countries with whom the Soviet Union was at that moment endeavouring to cultivate friendly relations. This, however, was merely by way of playing to the communist gallery in foreign countries and of keeping up the pretence that the Comintern was a body for which the Soviet Government had no responsibility. Having thus satisfied the proprieties—as understood in communist circles—the Congress proceeded to confirm the political line that had already been laid down by the Executive Committee, and which was now made the basis of instructions sent to all communist parties. These were to the effect that communists were no longer to attempt to subvert the government of their country by

violence, but were to attempt to form a United Front with other parties of the left with a view to attaining power by constitutional means. This led to the Popular Front in France and Spain and to the unsuccessful attempts, that are still renewed from time to time, to seduce the Labour Party into a United Front with communists in England. In China the Comintern was equally unsuccessful. Special instructions were sent to the Chinese communists that they were to form a United Front with the Kuomintang for the purpose of resisting Japanese aggression. Russia thus hoped to make the best of both worlds. The Chinese communists would remain faithful to the Russian cause, China would be stronger and more united than before and Japan would find her further advance in Asia barred by a renascent China as well as by Outer Mongolia and the communists in their stronghold at Yen-an. Again, however, as so often before, the Russians overplayed their hand. They made no secret of their hope that the communists would control the Chinese Government, but the same Trojan horse tactics had been tried and failed a decade earlier when, in reliance on the undertaking of Borodin, individual communists had been allowed to become members of the Kuomintang and had then tried treacherously to seize control. It was unlikely, therefore, that Chiang Kai-shek would fall into the same trap again.

The Communist Government at Yen-an lost no time in acting on the instructions received from Moscow, but their idea of a United Front was that the Kuomintang and the communists should co-operate as equal allies in the coming struggle against Japan. A proposal to this effect was flatly refused by Chiang Kai-shek on the ground that it would sanction and perpetuate the existing disastrous cleavage, and until this cleavage was healed China would never be able to resist foreign aggression. He declared that until the communists placed their army and their administration under the control of the National Government established by the Kuomintang he would continue to treat them as rebels to be suppressed by force of arms. On that question of principle Chiang Kai-shek has never compromised, and that was still



the point at issue in the civil war which broke out immediately after the surrender of Japan, and which shows no signs of subsiding.

After the Seventh World Congress events moved swiftly to their climax. Japan was seriously alarmed by the United Front proposals. Ever since her disastrous adventure in Siberia in 1919 and 1920, when her soldiers returned disgruntled by the blunders of the High Command and infected by the virus of communism, the Japanese leaders had suffered from an almost pathological fear that communism might percolate through North China into Japan itself. The measures they thought it necessary to adopt to guard against this danger fitted in very conveniently with the pursuit of their expansionist ambitions. They were able to persuade themselves that in order to fight the communists it was necessary to destroy Chiang Kai-shek, the chief enemy of communism; they made no secret of their intention to set up in the five northern provinces of China an autonomous régime under Japanese control, similar to that in Manchukuo, and in 1936 they entered into the anti-Comintern pact with Hitler. In July 1937, following the precedent of the Mukden incident in 1931, the Japanese forces in North China manufactured an incident at the Marco Polo Bridge near Peking, and thus began the hostilities which were brought to an end eight years later by the dropping of the atomic bomb in August 1945.

The selection of this date for the renewal of hostilities was determined by three considerations. The first was that China, under the leadership of Chiang Kai-shek and with considerable assistance from Great Britain, was, in fact, making rapid progress towards economic prosperity and political unity. The second was their belief that the series of purges then being carried out in Russia would make it impossible for Russia to intervene. The third was the preoccupation of the western nations with their own increasing difficulties, which, as explained in Chapter Seven, made it certain that Japan need fear no outside interference in her designs on China. In Russia also, just as a new note of confidence and cheerfulness began to be heard throughout the country in consequence of

the success of the five-year plan, the murder of Kirov, in December 1934, started a series of purges which reached their greatest intensity in 1937. In May, forty railway officials in the Soviet Far East were executed on charges of accepting bribes from the Japanese secret service, and in June, Tukhachevski, the Commander-in-Chief of the Soviet Army, and six other generals were executed. In the same month there was a border clash on the Amur River and the Soviet forces, instead of hitting back harder than they had been hit as was their usual practice in affairs of this kind, withdrew from the scene of the affray. It is commonly believed that July 1937 was selected as the date for beginning hostilities against China mainly because this incident confirmed the Japanese military in their belief that as a result of the purges the Russian Army was threatened with disintegration.

It did not seem probable that China would be able to offer effective resistance to the efficient and well-equipped armies of Japan. The revolution which turned China into a republic in 1912 stimulated a tendency towards provincial autonomy and separatism that had not yet been overcome. The abdication of the Manchu Dynasty dissolved the only recognised centre of authority and there followed fifteen years of civil war when provincial warlords raised private armies to collect revenue and maintain their power. The new government, established in 1928, set up a new centre of authority in the dictatorship of the Kuomintang, or Nationalist Party, which in theory exercised sovereignty as trustee for the people to whom sovereignty belonged. If China had been vouchsafed time for peaceful development this idea might have taken root, but partly through foreign aggression and partly through the follies of her own politicians, China went through a very troubled time after 1928. Separatist tendencies still persisted and the sovereignty of the Kuomintang was challenged both by communist administrations and by ambitious provincial leaders who chafed under the control of a central government. Chiang Kai-shek's campaigns against the communists caused much dissatisfaction chiefly because the communist slogan of a United Front against Japan proved attractive, and it was felt

to be wrong that the government's troops should be employed in fighting against Chinese at a time when the national resources should have been conserved for the coming struggle against Japan. There was some danger that certain of the provincial leaders might make common cause with the communists on this issue, but Chiang Kai-shek, who showed qualities of the highest statesmanship in this crisis, succeeded in averting what might have been a disastrous civil war.

When hostilities broke out there was, in outward appearance at any rate, a closing of the ranks. The communist leaders executed one of those remarkable right-about turns which have now ceased to cause surprise in the western world. They had hitherto proclaimed that Confucian culture must be destroyed, but they now discovered that their aims were the same as those of Sun Yat-sen, the Father of the Chinese Republic. They were ready, they declared, to submit their army and their administration to the authority of the Kuomintang and to abandon further attempts to spread communism by violence and propaganda. Chiang Kai-shek welcomed this declaration as "closing the last gap in the national defences." Leading communists were appointed to posts in the National Government, Communist Divisions received new names, and the Chinese Soviet Republic, with its capital at Yen-an, became the Shen Kan Ning Border Government. But it gradually became apparent that these changes were changes on paper and in name alone, that suspicion and mistrust had not been exorcised and that national unity had not been achieved.

China's eight years' war with Japan falls naturally into two four-year periods—the four years before Pearl Harbour, December 1941, and the four years after Pearl Harbour. During the first four years China fought alone under every species of discouragement. A conference of the parties to the Nine-Power Treaty, signed at the Washington Conference in 1922, met in Brussels, but the discussions at the Brussels Conference and at the meetings of the League merely served to draw public attention to the fact that the powers had ceased even to pay lip service to the illusion of collective security and

that no power was either willing or able to intervene in the Far East. The resolution passed at the Brussels Conference and adopted a few days later by the Assembly of the League was to the effect that

Members of the League should refrain from taking any action which might have the effect of weakening China's powers of resistance and should also consider how far they can individually extend aid to China.

America was a signatory of the Nine-Power Treaty and took part in the Brussels Conference ; nevertheless Japan continued to obtain two-thirds of her supplies of essential war materials from America until July 1941, five months before the attack upon Pearl Harbour. In the opening stages of the war Hongkong was of great value to China as an entrepôt for the supply of arms but this was no longer possible after the Canton-Hankow Railway fell into Japanese hands and the Chinese Government, abandoning both these cities, retreated to Chungking. British prestige fell heavily at the time of the Munich Agreement in 1938 and various incidents demonstrated that she was not in a position to render effective aid to China.

During the four years that she fought alone China received much sympathy and moral support in both England and America, and she was sustained by the hope, which she regarded almost as a certainty, that if she kept up her resistance long enough England and America would be drawn in and her anxieties would then be at an end. In fact, if at any time before Pearl Harbour the Japanese had attacked the British Empire only in the Far East there is little doubt that America would have remained neutral, and the road to final victory would have been more arduous and much longer. The turning point was the Presidential election in December 1940, which placed Franklin Roosevelt and the Democratic Party in power for four years longer. The following month saw the beginning of Lend-Lease, and in July, when Japan made certain moves in Indo-China which were obviously preparatory to using Indo-China as a jumping-off ground for an attack upon the possessions of the western powers in the region of the Southern Seas—as it is called by both Chinese

and Japanese—President Roosevelt at length took the decisive step of freezing Japanese assets in America. The Dutch and British Empires immediately followed suit, the supply of war materials was cut off, and Japan was faced with the unpleasant alternatives of calling off her campaign against China or of attacking both Great Britain and America. She chose the latter, and the result was the surprise attack upon Pearl Harbour on December 7th, 1941, which was the beginning of the Pacific War.

This was the event for which the Chinese had been waiting for four years, confidently expecting that with American and British aid the Japanese would immediately be driven out of China, but what they saw instead was the ignominious collapse of the British Empire in the Far East. Japan gave another demonstration of the importance of sea power by overrunning with surprising ease Hongkong, Malaya, Burma, the Netherlands East Indies and the Philippines. It is difficult to realise how bitterly the Chinese were disillusioned, but worse was yet to follow. Their difficulties and dangers, instead of disappearing, had greatly increased; nevertheless, the military needs of other fronts took precedence over the Pacific, and the Allies could make no immediate move to come to China's aid. It is not surprising that from 1941 the situation steadily deteriorated. Serious charges were made and widely believed, not only in China but in America and Britain also, about the fascist and totalitarian character of the government of Free China at Chungking. It was accused of imposing measures of thought control, of maintaining its authority by means of the ubiquitous secret police: of being both inefficient and corrupt. Inflation of the currency got beyond control, and the difficulty of obtaining raw materials caused an industrial breakdown. Factories which had manufactured arms for the troops were obliged to close, and the armies, swollen by conscription to fantastic numbers, were so ill armed, ill fed and badly trained that they were incapable of meeting the enemy in the field. The general discontent was reflected in the growing popularity of the communists whose numbers and importance both increased after 1941. All who wished to escape the dead hand

of Chungking and carry on guerilla warfare from mountain strongholds behind the Japanese lines called themselves communists and maintained a loose connection with the Shen Kan Ning Border Government at Yen-an—the most important of the communist administrations in China. The area under the Yen-an administration was the only communist region that foreigners were able to visit, and it became a kind of “show piece.” There is no doubt, however, that it fully merited the praises it received from many qualified observers. All accounts of the Yen-an administration agree that it succeeded in eliminating many of the time-honoured abuses for which Chinese administrations have long been notorious. Graft, usury and landlordism disappeared, much attention was paid to education and the soldier had been made into a decent citizen, the friend and helper of the peasant. These reports attracted much attention, especially among the naive and emotional people who, in America perhaps to a greater extent even than in England, are addicted to the use of labels as a substitute for analysis and reflection. Articles appeared in the press describing Yen-an as democratic China and Chungking as feudal China, and suggesting that Yen-an might be more worthy of American support than Chungking.

In fact, of course, the Kuomintang is as much the child of Soviet Russia as the Chinese Communist Party. Both claim that they are democratic and both understand democracy, not in its western European sense, but in the Russian meaning of the term. In Europe democracy exists where a government has come into existence by the freely-expressed will of all the citizens, and is fully representative of all the interests and all the classes of which the community is composed. In Russia democracy means the dictatorship of the proletariat: it exists only when supreme power in the state has been transferred to, or seized by, the working class. The difference between the European and the Russian conceptions of democracy is best illustrated by the fact that Russians accuse English democracy of being a sham because it tolerates the expression of anti-democratic opinions, and Englishmen accuse Russian democ-

racy of being a sham because it ruthlessly suppresses opinions of which it disapproves. The word "dictatorship" has an undemocratic sound, but Russians and their fellow travellers explain this away by saying that the goal of true democracy is the abolition or levelling of all classes until there is only one class—the mass of the people—left. Mankind will then have arrived at the communist paradise, the classless society in which the state has withered away. People should not be frightened, therefore, by the dictatorship of the proletariat. It is merely a transitional stage during which dictatorship is exercised by the only class who can be trusted not to abuse it, namely, the working class. Actually, of course, the dictatorship is exercised by a small group, aptly described as manipulators of power, who profess to be, or to be acting on behalf of, the working class.

This feature of the Russian system has been copied both by the Kuomintang Government of China and by the communist administration at Yenan. The government of China since 1928 has been the dictatorship of the Kuomintang, which, in theory, acting as trustee for the people, exercises the sovereignty that belongs to the people. This also is a transition stage, but the ultimate goal is not the classless society of its Russian prototype, but constitutional government when sovereignty will be handed back to the people after they have received sufficient political education to understand how constitutional government works. The transition from dictatorship to constitutionalism is no easier than the transition from dictatorship to the classless society, and attempts to hasten the process seem likely to end in chaos. In the meantime, in China as in Russia, the dictatorship of the Kuomintang means that power has fallen into the hands of a few persons, and that Chiang Kai-shek is as much a personal dictator as Stalin. Yenan also is just as much a dictatorship as the Kuomintang or the communist administration in Moscow, and Mao Tzu-tung is just as much a dictator as Chiang Kai-shek or Stalin. Mao and his associates insist that they are true Marxist communists and vigorously deny that their movement is merely a peasant uprising against corruption

and misgovernment. There is no reason to doubt that their ultimate aim is communism and the classless society brought about by the dictatorship of the proletariat in which, according to Marxist theory the state would wither away; but in the meantime, according to the reports of well-qualified observers, they appear to be seeking to give the peasant a decent standard of living and some voice in the management of such village matters as are of immediate interest to him and, with that object in view, to have adopted an economic programme which is no more, or no less, communism than the measures introduced with much the same objects by the Labour Government in England.

It is a common fallacy to believe that in order to explain some Chinese situation all that is needed is to attach to it some convenient label, such as imperialism, feudalism, democracy, etc., drawn from the political terminology of the west. It saves much hard thinking, but the results are generally misleading. The chief difference between Yen-an and the Kuomintang—if it can be summed up in a few words—is that in the former the leaders rely for their power upon the support of the mass of the peasants while in the latter the leaders try to win the support of the bankers, merchants, industrialists and substantial interests generally. The reason for this is that the Kuomintang, having assumed responsibility for the government of the whole country, are faced with the task of dealing, at the national and the international level, with problems of currency and finance, commerce and industry, railways, shipping and tariffs, location of industry and regulation of factories and a host of other matters with which the communists do not concern themselves at all. The communist administrations exist only in rural, mountainous and sparsely inhabited regions where there are no big land-owners and no great commercial, financial or industrial interests. In 1945, the year of the Japanese surrender, there were said to be fourteen areas under communist administration. They were scattered all the way from Peking to Canton and were said to comprise a total population of one hundred and eighty million people. Much the most important and



most highly-organised of these areas was the Shen Kan Ning Border Government with its capital at Yen-an. The administration derived its name from the fact that the area which it controls comprises the region where the boundaries of the three provinces Shensi, Kansu and Ninghsia meet. Yen-an, the chief town in this region, has been the communist capital ever since Mao Tzu-tung and his followers settled down there after executing the Long March in 1934. The Shen Kan Ning region was visited by a party of foreign journalists early in 1945 and Gunther Stein, in his book *The Challenge of Red China*, has written an admirable account of the régime he saw in operation there. He reports that the population of the Border Region is less than two million and that Yen-an is a little country town of forty thousand inhabitants. There are no roads or navigable rivers, no motor transport, no industries, no electricity and no machinery. The vast majority of the people live outside the market economy: their trade is simple barter and there has been a general return to hand-spinning and hand-weaving. Yen-an has issued its own currency, but the total value of the note issue amounts to the equivalent of £325,000. "The political scene of Yen-an reflects the calm simplicity of its rustic setting just as its political life goes on at a retarded but steady village tempo." There are People's Political Councils at various levels, but Mr. Stein, who writes with a strong bias in favour of the communists, makes it clear that in Yen-an, as in Russia itself, the dictatorship of the proletariat means the dictatorship of a small group who rigidly control all activities and all expressions of opinion. One centre of power is the Headquarters of the Communist Party, another is the Headquarters of the Army and a third centre of power "seemed to be budding in the self-government institutions of the New Democracy which have been created by the communists"

Mr. Stein was deeply impressed with the sincerity of the communist leaders and the great value of the results they have achieved. The special virtue of their administration is that they are in close touch with the peasants, endeavour to interpret their wishes and to associate them through elected

councils with the day-to-day work of the administration. They have improved the lot and won the goodwill of the peasants, but these successes have been achieved only at the village level and in the primitive conditions described by Mr. Stein. There is no evidence to show that they could be repeated if the communists attempted to shoulder the responsibilities of a National Government. The worst of the many evils with which China is afflicted is the inflation of the currency and the discontent which has brought much support to the communists is due to the failure of the Kuomintang to solve this problem. The communist leaders, however, avoid this difficulty by the simple expedient of not using currency and reverting to the primitive economy of barter. By this and similar means they have created an attractive patriarchal scene where the Confucian virtues are displayed to the best advantage, but success at this level makes no contribution to a solution of the many urgent problems with which China is faced. These can only be solved if China's leaders overcome their personal jealousies and agree to sink their differences and work together for the common good. The communist leaders have preferred to carry on the evil tradition of civil war established by provincial warlords after the fall of the Empire. Their lack of patriotism and statesmanship is responsible, equally with the corruption and maladministration of the Kuomintang, for the disasters which have overtaken China.

After Pearl Harbour the war dragged on interminably, and the general war weariness was reflected in the growing inefficiency and slackness of the Chungking government. The task of resisting the Japanese invaders was left more and more to foreign allies, while half a million of the government's most reliable troops under their most trusted general, were employed in blockading the Yen-an region. They feared that as the Japanese withdrew, the communists, hitherto confined to rural areas, would enter evacuated cities, obtain possession of Japanese arms, and thus be in a position effectually to oppose the re-establishment of the authority of the Chinese government in Manchuria and large parts of north China. Mr.

Stein's book provides evidence that the communists were in fact keeping troops in reserve with a view to extending the area under communist control as soon as the Japanese retreat began. In these circumstances considerable anxiety was felt in Chungking at the growing favour with which the Yen'an régime was regarded in foreign countries, particularly in America. Even more acute was their anxiety as to the possible future course of Russian policy in the Far East.

Throughout the war the policy of Russia was perfectly correct, and in accordance with the recommendations of the Brussels Conference. They gave what help they could to Chungking, and they gave no help at all to the communists. Nevertheless, there was always the possibility that this attitude might change immediately the menace of Japanese aggression was removed. If the Tsarist ambitions in Manchuria were revived Soviet Russia might find that it suited her interests best to have a communist administration in control in Manchuria. The communists had received no separate aid from Russia, but they had continued to follow the political line laid down by Moscow, and they would probably be more subservient to Russian interests than the Kuomintang government at Chungking. From about 1944 onwards these possibilities were canvassed and these fears openly expressed in Chungking, and the fears were not allayed by the complete silence maintained by Russia.

It was in these circumstances that the Yalta Conference was held in February 1945. We know now that by the end of 1942 the Japanese High Command had abandoned hope of winning the war. We know also that by 1945, as a result of the overwhelming forces mobilised by America, and the skill and determination with which she used them, the complete destruction of Japan was only a question of time. Nevertheless, in 1944 it seemed that final victory might still be a long way off. It seemed certain that Japan would not surrender until her country had been invaded and occupied, and invasion over three thousand miles of Pacific Ocean was a formidable undertaking even for America. It was also

believed that in the last resort the Japanese might transfer their Emperor, their Government and their army to Manchuria, and carry on the struggle from the mainland. Since 1931 Manchuria had been intensively developed as the industrial base of the Japanese Empire. This plan was, therefore well within the bounds of possibility, and, if carried out, would enable the Japanese to prolong the struggle for two or three years. In these circumstances it seemed imperative that Russia should be offered some inducement to enter the war against Japan at the earliest possible moment. This question was discussed at Yalta by Marshal Stalin, President Roosevelt and Mr. Winston Churchill.

The price that Stalin demanded was that "the former rights of Russia in Manchuria violated by the treacherous attack of Japan in 1904" should be restored to her. It is very probable that President Roosevelt and Mr. Winston Churchill had no option but to agree to these terms, but it is also very unlikely that they had any clear idea of the full connotation of the phrase "the former rights of Russia." Anyone who visited Manchuria between 1900 and 1904 soon realised that the Russians regarded it as an extension of Russian territory. Travellers were politely asked whether this was the first time they had visited Russia and, though Chinese officials were to be seen, they exercised no more authority than was allowed them by the Russians. Japan's "treacherous attack" which forced Russia to retreat from Dalny and Port Arthur was launched with the warm approval and encouragement of England and America. Their attitude was bitterly resented at the time, but after the Bolshevik revolution in 1917 the Russo-Japanese war was commonly described in communist propaganda as one of the wicked imperialist wars characteristic of the Tsarist régime. This gradually faded as Soviet imperialism rose to the surface, and by about 1932 we find Stalin declaring with passionate emotion that the Chinese Eastern Railway had been "built with the blood and money of the peoples of the U.S.S.R. and this constituted their inalienable property." The Japanese, of course, used exactly the same language about the south Manchuria

Railway and their special rights when they decided to seize Manchuria in 1931

The Yalta Agreement of February 11th, 1945, was signed by Marshal Stalin, President Roosevelt and Mr Churchill. The agreement provided that the *status quo* in Outer Mongolia would be preserved and that the Kuril Islands would be handed over to the Soviet Union. The "former rights of Russia" were dealt with in Article 2 which referred specifically to the southern part of Sakhalin and the adjacent islands, the commercial port of Dairen, the naval base of Port Arthur, the Chinese Eastern Railway and the south Manchuria Railway. Roosevelt and Churchill agreed that Russia would enter the war against Japan within two or three months after the surrender of Germany. No Chinese were present at the conference, but the agreement provided :

The President will take measures in order to obtain this concurrence (of Generalissimo Chiang Kai-shek) on advice from Marshal Stalin.

The Heads of the Three Great Powers have agreed that these claims of the Soviet Union shall be unquestionably fulfilled after Japan has been defeated.

The concurrence of Generalissimo Chiang Kai-shek was duly obtained and in August 1945 an agreement was signed at Moscow by which China in effect granted, with some modifications of a face-saving nature, the restoration of Russian rights which had been promised at Yalta six months previously. The Yalta agreement, however, was kept a profound secret for twelve months and the full significance of the Russo-Chinese agreement of August 1945 only became apparent when the text of the Yalta agreement was published in February, 1946 (*For text of Yalta agreement, see annex.*)

This was a very fortunate agreement for Russia, for, as it happened, owing to the dropping of the atomic bomb, Russia was at war with Japan for exactly eight days. The agreement is likely, however, to have disastrous consequences for all concerned. The League of Nations Commission of Enquiry

(the Lytton Commission) which investigated the Manchurian question in 1932 pointed out that the situation which had existed in Manchuria made a conflict inevitable. If one power owns and operates railways and controls seaports and naval bases in the territory of another power it will inevitably result in war sooner or later. The agreement reached at Yalta has the effect of re-creating exactly the kind of situation about which the Lytton Commission uttered its warning in 1932. It is probable, therefore, that Manchuria will continue to justify the title, Land of Conflict, but any future conflict that may break out in the Far East will be on a vaster scale than any the world has seen before, for now it is not Russia and Japan about whom men speculate whether war will come or not, but Russia and the United States of America.

## ANNEX TO CHAPTER IX

### AGREEMENT CONCERNING THE ENTRY OF THE SOVIET UNION INTO THE WAR AGAINST JAPAN

*Livadia, 11th February, 1945.*

The leaders of the three Great Powers—the Soviet Union, the United States of America and Great Britain—have agreed that in two or three months after Germany has surrendered and the war in Europe has terminated the Soviet Union shall enter into the war against Japan on the side of the Allies on condition that:

1. The *status quo* in Outer-Mongolia (The Mongolian People's Republic) shall be preserved ;
2. The former right of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz :—

- (a) the southern part of Sakhalin as well as all the islands adjacent to it shall be returned to the Soviet Union,
- (b) the commercial port of Dairen shall be internationalized, the pre-eminent interests of the Soviet Union in this port being safeguarded and the lease of Port Arthur as a naval base of the U.S.S.R. restored,
- (c) the Chinese-Eastern Railroad and the South-Manchurian Railroad which provides an outlet to Dairen shall be jointly operated by the establishment of a joint Soviet-Chinese Company it being understood that the pre-eminent interests of the Soviet Union shall be safeguarded and that China shall retain full sovereignty in Manchuria ;

3. The Kuril islands shall be handed over to the Soviet Union.

It is understood, that the agreement concerning Outer-Mongolia and the ports and railroads referred to above will require concurrence of Generalissimo Chiang Kai-shek. The President will take measures in order to obtain this concurrence on advice from Marshal Stalin.

The Heads of the three Great Powers have agreed that these claims of the Soviet Union shall be unquestionably fulfilled after Japan has been defeated.

For its part the Soviet Union expresses its readiness to conclude with the National Government of China a pact of friendship and alliance between the U.S.S.R. and China in order to render assistance to China with its armed forces for the purpose of liberating China from the Japanese yoke.

J STALIN

FRANKLIN D. ROOSEVELT

WINSTON S. CHURCHILL

11th February, 1945

## NOTES

### CHAPTER ONE

#### *Introductory—the Clash of Ideals*

<i>Page No</i>	<i>Note No</i>	
10	1	Morse <i>International Relations of the Chinese Empire</i> , Vol. III, page 127
11	2	Tawney <i>Land and Labour in China</i>
17	2a	See Ch VIII, Note 54.
19	3	Ku Hung-ming <i>The Conduct of Life</i> (Wisdom of the East Series)
22	4	L B Namier <i>Conflicts</i>
25	4a	Farrington <i>Greek Science</i> , Ch IX
27	5	Bertrand Russell <i>The Problem of China</i>
29	6	Shih Kuo-hang <i>China enters the Machine Age</i> .
31	7	<i>The Economist</i> , April 6th, 1946.

### CHAPTER TWO

#### *The Barriers between Europe and Asia*

35	8	This is the picturesque phrase that was recently used by Mr. Bevin in a speech on the subject of British interests in the Eastern Mediterranean
37	9	Yule <i>Cathay and the Way Thither</i> .
39	10	Morse. <i>Chronicles of the East India Company</i> .
39	11	Ballard: <i>Rulers of the Indian Ocean</i>
40	12	Trevelyan: <i>Social History</i> p. 141.
40	13	Hudson. <i>Europe and China</i> .
42	14	Ballard. <i>Rulers of the Indian Ocean</i> .
45	15	Quoted in introduction to Chau Ja-Kua: His Work on the Chinese and Arab Trade in the twelfth and thirteenth Centuries, entitled <i>Chu-fan-chi</i> . Translated from the Chinese and annotated by Friedrich Hirth and W W Rockhill
47	16	Morse. <i>Chronicles of the East India Company</i> .
47	17	Morse <i>Chronicles of the East India Company</i>
47	18	Yule <i>Cathay and the Way Thither</i> .
48	19	Morse: <i>Chronicles of the East India Company</i> .



## CHAPTER THREE

*The Factories at Canton*

Page No.	Note No.	
50	20	Factory is the term commonly used in the eighteenth century to denote the establishment where traders residing in a foreign country carry on their business.
50	21	Hoppo represents the eighteenth century attempt to pronounce the Chinese title of the high officer, ranking with the Viceroy, placed in charge of the foreign trade at Canton
51	22	Morse <i>Chronicles of the East India Company</i>
52	23	A. N. Whitehead. <i>Adventures of Ideas</i> , Ch. VI
55	24	See the Author's <i>China and Britain</i> , page 16
59	25	A recent letter in <i>The Times</i> reminded the readers of that paper that in 1831 Sir Samuel Rolilly tried to get hanging abolished for thefts of more than five shillings, but met with the most strenuous opposition from Lord Ellenborough, the Lord Chief Justice. European jurists were horrified at the savagery of the English criminal law, but there was no real improvement until 1861. These and similar facts are generally overlooked by English critics of Chinese social conditions and institutions
60	26	See the Author's <i>War and Politics in China</i> , page 30 <i>et seq</i>
64	27	It is remarkable to find these merchants in Canton possessing such a sound appreciation of the rôle of a "Superior and Commanding navy." A century later we have seen the depressing spectacle of the British people succumbing to the illusion that a fortress on land could be a substitute for ships at sea. This was the illusion against which the great Portuguese Commander Almeida warned his sovereign in the sixteenth century—the century of Portugal's greatness. The naval base at Singapore was built after the naval limitations agreed upon at the Washington Conference had made it certain that there would be no capital ships to use it

## CHAPTER FOUR

*The Downfall of China*

73	28	In one instance it is recorded that an East Indiaman sailing to Canton carried, instead of ballast, a cargo of flints which had at any rate some value as road-mending material in the muddy delta of the Canton river
74	29	A chest contained about 150 lbs. of opium
77	30	Morse: <i>Chronicles of the East India Company</i> .

- | Page<br>No | Note<br>No |   |
|------------|------------|---|
| 78         | 31         | The cangue is a heavy wooden collar which the criminal was condemned to wear for a certain length of time. This punishment was abolished early in the present century.  |
| 81         | 32         | Lay to Pottinger, April 1st, 1844. quoted in <i>Costin, Great Britain and China</i> , page 109.   |
| 85         | 33         | Peel to Stanley, December 15th, 1842. quoted in <i>Costin</i> , op. cit., page 108.   |
| 85         | 34         | Aberdeen to Pottinger, January 4th, 1843. quoted in <i>Costin</i> , op. cit., page 107.   |
| 85         | 34a        | <i>Costin</i> , op. cit., page 109.   |
| 86         | 35         | Michie <i>The Englishman in China</i> .   |
| 87         | 36         | Hunter <i>The Fan-kuai at Canton</i> .  |
| 88         | 37         | Bowring to Granville, May 3rd, 1852. quoted in <i>Costin</i> , op. cit., page 157.  |
| 90         | 38         | Michie <i>The Englishman in China</i> , page 218.   |
| 92         | 39         | <i>Costin</i> , op. cit., page 179.   |
| 92         | 40         | Bowring to Clarendon, March 4th, 1856, quoted in <i>Costin</i> , op. cit., page 179.  |
| 92         | 41         | Bowring to Clarendon, September 17th, 1856. quoted in <i>Costin</i> , op. cit., page 179.   |
| 93         | 42         | In <i>China and America</i> (Princeton University Press), page 47, Mr. Dulles describes the policy of the United States as one of "avoiding conflict with the Chinese even though it might mean standing aside while England contested for what were quite as much American as British rights." |
| 94         | 43         | Taotai is generally translated "Intendant of Circuit." A province was formerly divided into four or five Tao or Circuits with a Taotai in charge of each.   |
| 96         | 44         | Morse <i>International Relations of the Chinese Empire</i> , Vol. III, Chapter 2.   |

## CHAPTER FIVE

### *The Race between Russia and Japan*

- |     |    |   |
|-----|----|---|
| 98  | 45 | See Chapter Two, page 43.   |
| 99  | 46 | Trevelyan: <i>Social History</i> .  |
| 112 | 47 | See Morse <i>International Relations</i> , Vol. III, Chapter I, which contains an excellent account of the events in Korea leading up to the Sino-Japanese war. |

## CHAPTER SIX

### *The Chinese Revolution.*

- |     |     |   |
|-----|-----|---|
| 119 | 48  | Spencer: <i>Fifty Years of Europe</i> .       |
| 126 | 48a | W. F. Mayers: <i>The Chinese Government</i> . |

Page No	Note No	
127	49	The term that most nearly corresponds to Amban is High Commissioner
128	50	See Teichman <i>Affairs of China</i>
130	51	Tibet enjoys the distinction of being the only country in the world where the Chinese immigrant has failed to make good. In the case of Inner Mongolia and Manchuria the building of railways which began at the end of the nineteenth century had the effect of swelling the stream of immigrants into a torrent. The population of Manchuria increased from three millions in 1878 to eighteen millions in 1911, thirty millions in 1930 and over forty millions at the present day.
130	52	Urga is the capital of Outer Mongolia. It is now known by its new name—Ulan Bator—The City of the Red Hero.

## CHAPTER SEVEN

### *Japanese Aggression*

- 137      53    See Note on splendid isolation at end of chapter.

## CHAPTER EIGHT

### *Russian Influence on Chinese Nationalism*

- 169      54    The International Settlement at Shanghai was inhabited by nearly a million and a half Chinese and thirty thousand foreigners and was administered by a municipal Council consisting of nine foreigners elected by a limited number of foreigners who possessed the franchise. The Chinese residents and those foreigners who did not possess the privilege of extraterritoriality remained under the jurisdiction of the Chinese courts and it had been found necessary, therefore, to establish a Chinese court in the Settlement to exercise this jurisdiction. In criminal cases a foreign assessor appointed by the Consular body sat on the bench with the Chinese magistrate because a foreign interest was involved in the preservation of order in the Settlement. He was not a co-judge and took no part in the decision of cases, but owing to the presence of a foreigner on the bench the court came to be known as the Mixed Court. That, however, was a misnomer for it was a purely Chinese court. In 1911 when the revolution took place there was at Shanghai as at other places a period of confusion while Imperialist officials were disappearing and

Page Note  
No. No

169 54 Republican officials were taking their place. During this period the Mixed Court fell under the control of the Consular Body. The Taotai, before leaving, being anxious to secure the safety of the Settlement, handed over the funds and archives of the Court to the Senior Consul. These funds were later replenished by the proceeds of fees and fines levied by the Court and by contributions from the municipal revenues. There was thus initiated a very anomalous system by which the Chinese magistrates were appointed by the Consular Body and paid by the Municipal Council. The system lent itself to gross abuses in addition to which the Municipal Council introduced various "improvements" which were resented as being encroachments on China's sovereign rights. It was intended that Chinese control should be re-established as soon as the immediate crisis of the revolution was past, but in spite of much agitation rendition of the Court did not take place until 1927 when the British Government brought pressure to bear in accordance with the new policy announced in their memorandum of December 1926. (See page 177)

There was a similar encroachment on China's sovereign rights in connection with the collection and custody of Customs revenues. Up to 1911 the duties were paid by the merchant direct into a Chinese bank under the control of the Taotai and no foreign official had any responsibility for collecting the duties, banking them or discharging the liabilities secured on them. During the revolution the revenue at some of the treaty ports disappeared and for the first time in history there was actually a default on one instalment of a foreign loan. The Chinese authorities—Republicans and Imperialists alike—readily acquiesced in an arrangement by which the foreign Commissioner of Customs banked the duties collected at the treaty ports and remitted the sums collected to foreign banks at Shanghai which were charged with the duty of servicing the loans. This arrangement was meant to be purely temporary, but, as in the case of the Mixed Court, control was not restored to the Chinese authorities until 1927.

172 55 A rough but convenient translation of the Three People's Principles is Nationalism, Socialism and Democracy. The three stages of the revolution were Militarism, during which the warlords were to be subdued, Tutelage, during which the Kuomintang was to exercise, as trustee of the people, the sovereignty which belonged to the people, and finally Constitutionalism when the dictatorship of the Kuomintang was to come to an end.

172 56 The statement sometimes made that the Chinese Communist Party was affiliated to the Kuomintang is quite untrue.

175 57 *The Economist*, April 6th, 1946.

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## ERRATA

- Map on page 121  
 For Chuangchou read *Chuanchow*  
 For Hwangho read *Yellow River*  
 Map on page 165  
 For Primovsk read *Primorsk*  
 For Hwangho read *Yellow River*.

